FBIS DAILY REPORT

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ANTI-DRUG OFFICIAL DISCUSSES DRUG SMUGGLING

PY121718 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 12 Feb 86

[Interview with Jaime Malamud Goti, executive vice president of the national commission for the control of drug trafficking, by unidentified TV reporter; date and place not given -- recorded]

[Text] [Reporter] Jaime Malamud Goti, executive vice president of the National Commission for the Control of Drug Trafficking and Consumption, said that Argentina is largely responsible for the export of certain chemicals to neighboring countries where they are then turned into cocaine. The national government intends to try to prevent contributing to the production of these drugs which are probably the most harmful. Therefore it intends to take various measures, some of which have already been implemented.

First, these measures seek to prevent the accumulation in border areas of substances which are frequently turned into cocaine hydrochloride or heroin. These measures also seek to provide customs agents with a more effective way of controlling the transport of these drugs and of preventing the accumulation of the substances produced with these chemicals. Malamud Goti referred to Argentina's position regarding drug trafficking in the Southern Cone.

[Malamud] We could say that Argentina is in a privileged position due to its geographical location and probably due to the economic factors which are public knowledge. There are no drug trafficking organizations strong enough to challenge the government forces. However, I believe that this problem should be taken seriously since the well-being of our neighboring countries depends on the Argentine cooperation. This problem, one way or another, will also have its effect in our country. I believe that, strictly speaking, our country does not produce drugs. It is a country that does not produce cocaine, and marijuana production is very small. The marijuana plant is very easy to grow anywhere, but its cultivation is quite controlled. However, I think that Argentina has a big responsibility because it is an industrialized country in the Southern Cone. Therefore, it exports substances that are used for various purposes, most of them legal, but the export of these chemicals also contributes to the production of cocaine.

A decree about to be approved prohibits border traffic of substances such as ether, sulfuric acid, acetone, etc. that are considered basic chemical substances for the production of cocaine. I believe that with these measures we will prevent drugs from coming into the country and from being distributed throughout the Southern Cone.

[Reporter] It has been said that Bolivia is one of the neighboring countries that imports the largest quantity of these Argentine chemical substances for cocaine production. Is there a treaty in this regard with the Bolivian authorities?

[Malamud] Yes, we are in contact with Bolivian Government officials and contact has even been established with the organizations in charge of controlling drug trafficking in the two countries. I am referring to the police forces, the border guards, etc. However, I would not say that the problem lies exclusively with Bolivia. We also have a few problems with Paraguay. A great quantity of marijuana comes from Paraguay. We also have cases of smuggled (?opium) from southern Chile.

INDUSTRY SECRETARY ANNOUNCES EXPORT PROGRAMS

PY122037 Buenos Aires BUENOS AIRES HERALD in English 11 Feb 86 p 3

[Text] (NA-DYN) -- Industry and Foreign Trade Secretary Roberto Lavagna announced new industrial promotion measures yesterday that centre on beefing up exports. Aims include reinvigorating regional economies through export-promotion of their products, and modernizing small- and medium-sized exporting business through credits.

In a press conference yesterday, Lavagna called the package of measures "the indispensable corollary for successful continuance of the stabilization process" of the Austral economic plan. Lavagna announced that export duties on 42 agricultural and industrial products will be reduced early next month. He also said that the Special Export Programmes, announced by Economy Minister Juan Sourrouille last week, will benefit 13 branches of industrial promotion and will have a budget of 47 million australs.

A "federal export network, " designed to increase exports, will be created that will function in all provinces and will be computer -equipped, said Lavagna. He said the Special Export Programmes will benefit exporting companies and consortiums that plan increases in export of at least 2 million dollars for at least two years. The companies then will be paid back 15 percent. The export-promotion package outlined by Sourrouille was decreed by the executive on Saturday.

Lavagna said the government expects a 30 percent increase in exports this year, equal to 500 million dollars. He said that increase alone would push the gross domestic product up between 0.5 and 0.7 percent. He also said an agreement had been signed with Italy opening up a credit line worth 60 million dollars over 20 years, with a five year grace period and 1.75 percent annual interest, for Argentine computer and agro-industrial companies. Lavagna said the agreement was signed "with the idea of favouring theformation of Italo-Argentine companies."

Meanwhile, National Customs Administration (ANA) administrator-general Juan Carlos del Conte announced neasures that he said "would facilitate foreign trade through all possible means." The measures center on streamlining procedures for exports and reducing bureaucracy. ANA also announced that it reduced its number of agents and cut overtime work by 67 percent during 1985, and that total customs duties for last year reached 1.514 billion (thousand million) australs.

Argentine Rural Society president Guillermo Alchourron said he was sceptical of the whole industrial export promotion plan. Alchourron said the plan was an "industrial adventure" which concerned him "because Argentina is a country of adventurers in lots of things."

BRIEFS

PRESIDENTIAL ADVISER APPOINTED -- Buenos Aires, 11 Feb (TELAM) -- Through Executive Branch Decree No 199, Dr Victor Carlos Marchesini was appointed today adviser to President Raul Alfonsin. [Summary] [Buenos Aires TELAM in Spanish 0113 GMT 12 Feb 86 PY]

TIES WITH CUBA DELAYED BY MADRID INCIDENT

PY130249 Sao Paulo VEJA in Portuguese 5 Feb 86 p 27

[From the "Radar" column]

[Text] The disastrous attempt by a group of Cuban diplomats to kidnap former Cuban Planning Vice Minister Manuel Sanchez Perez in downtown Madrid has had a heavy impact on Brasilia. The National Intelligence Service (SNI) has recommended that the government reassess the political benefits of resuming relations with Havana. The SNI contends that if Fidel Castro's regime acts too brazenly in a country with which Cuba maintains close ties, it could commit worse actions in Brazil. Taking heed of these allegations, President Sarney has decided to postpone indefinitely the exchange of ambassadors with Cuba.

ALCOHOL PRODUCTION, OIL EXPLORATION SCALED DOWN

PY081654 Brasilia Radio Nacional da Amazonia Network in Portuguese 0000 GMT 8 Feb 86

[Excerpts] Recent reductions in the price of oil in the international market have brought about changes in the Brazilian automitive energy sector. During a meeting with ministers of the economic area yesterday, President Sarney decided to reduce the emphasis on the Pro-Alcohol Program, as well as investments in exploration by the Brazilian Petroleum Corporation.

Antonio Frota Neto, Planalto Palace Spokesman for economic matters, said that the Pro-Alcohol Program will continue but in a way that will meet the current interests of the country. General Roberto Franca Dominguez, chairman of the National Council for Petroleum, said that the reduction in the price of oil on the international market will mainly affect the alcohol and coal producing areas.

CARVAJAL DISCUSSES PENSIONS, BORDER TROOPS

PY122152 Santiago Domestic Service in Spanish 1630 GMT 12 Feb 86

[Live relay from Government House by reporter Rosa Sanchez]

[Excerpts] Acting Interior Minister Vice Admiral Patricio Carvajal announced a few minutes ago that the government is studying the situation of the pensions of all retired people, military, and civil servants. Carvajal also announced that top Chilean and Peruvian military commanders will meet in May to study the possibility of withdrawing troops from the common border area. It must be recalled that this was already announced a few months ago by President Pinochet during a tour to Iquique. Carvajal said that this measure is being studied and will be discussed during the meeting in May.

Regarding the lawsuits filed by the Interior Ministry against these political leaders, Carvajal said that they arenot being harassed but rather they are being sued in the courts. Asked about the enlargement of the Mataveri Airport landing strip on Easter Island, Carvajal said operations were not suspended after the Challenger accident, and NASA, which is responsible for the Mataveri project, has not requested the Chilean Government to stip the project.

Arms to Terrorists

PY130212 Santiago Radio Chilena in Spanish 2200 GMT 12 Feb 86

[Text] Defense Minister Vice Admiral Patricio Carvajal, who is also acting interior minister, asserted today that the government knows where the arms used in terrorist actions come from and recalled that there are countries in the service of international communism and terrorism. The minister made the statement after attending a mass at the General Cemetery for the Carabineros who died from wounds sustained in a car bomb explosion. Carvajal said that this action is not isolated.

SUSPECTED VINA DEL MAR TERRORISTS CHARGED

PY130339 Santiago Radio Chilena in Spanish 2200 GMT 12 Feb 86

[Text] The seven members of a group of extremists who, according to the Fifth Region Intendant's Office, intended to commit terrorist actions during the Vina del Mar Song Festival have been charged with violations of laws on weapons and explosives control by Judge Advocate Juan Solis.

Those charged are Leonardo Lautaro Ugalde Gonzalez, 28, military instructor; Miguel Angel Bernardino Cabrera, 19; Maria Isabel Oviedo Urbina, 19: Magdalena Marisol Flores de Jarro, 22, nurse; Alejandro Manuel Barriga Travna, 18, Playa Ancha University student; Patricio Fuente Gomez, 19; and Jessica Gimena Fernandez. The first two are being held incommunicado.

They were arrested last week and the CNI [National Intelligence Center] said that they were arrested for possessing explosives, weapons, ammunition, medical supplies, and incriminating documents. The CNI also said that these seven people might be responsible for several explosions that took place in Vina del Mar before their arrest.

BETANCUR MESSAGE ON CANCUN DECLARATION REPORTED

PA130145 Caracas EL NACIONAL in Spanish 3 Feb 86 p D 13

["Telegram" from President Belisario Betancur to Venezuelan President Jaime Lusinchi and Mexican President Miguel de la Madrid; no date given]

[Text] To His Excellency, Jaime Lusinchi, President of Venezuela, Caracas; and His Excellency, Miguel de la Madrid, President of Mexico, Mexico City.

Your Excellencies:

With my respectful greetings, I am pleased to inform you that I have carefully read the joint declaration you issued a few hours ago, on the occasion of your successful meeting in the city of Cancun, to analyze the effects of the current oil crisis in the concert of world economy.

In that declaration, you express serious concerns, which Colombia fully shares. There is no doubt that the dramatic drop in oil prices will definitely affect the terms of exchange -- which have been at a deteriorated level for a long time -- of our Latin American region, a phenomenon that will further hinder the handling of our heavy foreign debt. Colombia fully supports the Cancun declaration and, as member of the Cartagena Consensus Follow-Up Committee, it favors holding an emergency meeting as soon as possible.

Likewise, as a future exporter of the product, it is ready to help in recovering and upholding order in the international markets.

Receive, Your Excellencies, the highest sentiments of my consideration and esteem.

Belisario Betancur, President of Colombia

MINISTER SAYS NICARAGUAN WEAPONS CASE CLOSED

PA121757 Bogota Television Service in Spanish 0000 GMT 12 Feb 86

[Text] The foreign minister said today that the case involving the Nicaraguan weapons in the Palace of Justice takeover has been closed. Although some doubts remain, we have accepted the Nicaraguan Government's explanations and closed this case, the foreign minister explained. According to a controversial report, Nicaragua reportedly supported the attackers of the Justice Palace with weapons.

The minister also said that the OAS should offer technical and political cooperation to Haiti so that the democratic process can be consolidated in that country. It should be, he said, a vigorous action by an OAS that is undergoing a renewal.

PUBLIC ORDER SITUATION WORSENS IN CAUCA

PA121807 Bogota Television Service in Spanish 0000 GMT 12 Feb 86

[Text] The guerrilla violence has forced peasants in the middle Magadlena area to abandon their plots of land and voice their protest.

Also today, a guerrilla command held up the [word indistinct] of the Antioquia miners' camp, in El Bagre, and stole 6 million pesos in gold.

Meanwhile, in Cauca Department, the public order situation is more serious and grave every day, but even so, the governor asserts that the elections will be held, as evidence that democracy must prevail over violence.

In Morales, the aftermath of a guerrilla attack on 3 February was still being appraised today. Fourteen policemen armed only with carbines defended the town for 4 hours. It is not yet known how many guerrillas they managed to kill, as many of them were dragged to and buried in the neighboring thicket. What is known, and is regarded as fact, is that Cauca Department has become a hellhole.

[Begin Governor Victor Gomez recording] For a long time now, there have been actions involving the 3d Brigade and 19 April Movement [M-19] in the northeastern party of the department. M-19 has managed to penetrate all the way into Silvia, Totoro, and the neighboring areas. Now they have crossed the Pan-American Highway and are headed for Morales, around [place name indistinct], Cajibio, probably with the intention of establishing contact with the western mountain range, which is currently occupied, so to speak, by the Revolutionary Armed Forces of Colombia [FARC]. [end recording]

The Cauca map is covered by signs of guerrilla presence: M-19, Quintin Lame, FARC, the Army of National Liberation, and, sandwiched between them, the peasants, exposed to armed proselytization. Among those peasants is a vast Indian population.

[Begin Gomez recording] According to the information I have received, these people show up in the peasant regions and tell them: Either you vote for FARC or you will suffer the consequences. They are armed; they do not attack, but they carry weapons in their hands -- both long-range and close-range weapons -- and, logically, they scare the voters. [end recording]

The capital of Cauca Department, still showing the scars of the earthquake [as heard] appeared today covered with slogans attributed to a paramilitary group. The authorities reportedly have learned the license plate numbers of the vehicles used by those who painted the slogans.

Meanwhile, the authorities assume that the guerrillas are also moving about the town of Cajibio to prevent the elections. The governor, however, says he is sure the election will be held.

Another guerrilla attack has been reported in Rio Sucio, Choco Department, where 50 members of the fourth FARC front this morning attacked the police headquarters, killing one agent and wounding a noncomissioned officer. There was looting and thievery and the mayor's office was half destroyed. Four million pesos were also stolen form the Agrarian Fund.

M-19 FOUNDER LARA SANCHEZ FOUND KILLED

PA1121145 Bogota Television Service in Spanish 1730 GMT 11 Feb 86

[Text] The death of Augusto Lara Sanchez, founder of the 19 April Movement [M-19] who left this guerrilla organization a little more than a year ago, has been confirmed. Lara Sanchez had been reported missing since Thursday. His body, which was found in Bogota, was disfigured and had two bullet wounds.

FRG DEPUTY SCHAEFER ON STATE OF SIEGE, EXILES

PY121515 Asuncion HOY in Spanish 12 Feb 86 p 8

[Text] During a press conference held yesterday, FRG Free Democratic Party Deputy Helmut Schaefer stated: "I believe that lifting the state of siege would improve the Paraguayan image abroad. I have always been told that there is a strong government here and there are no disturbances, no terrorism or communism. Therefore, the state of siege is meaningless." The German politician is touring Argentina, Uruguay, Paraguay, and Brazil and will submit a report to the FRG Government concerning the economic problems and the democratic development of these nations.

Concerning these issues, Schaefer added that "we also have terrorism in the FRG and in Europe. However, we have not enforced a state of siege but have trained our police to implement new techniques. If so desired, we would certainly be willing to provide that information and training for the Paraguayan police."

Schaefer was asked whether during his meeting with President Stroessner he saw any indication that the state of siege would be lifted soon. Schaefer replied: "The president did not make a final statement on this issue. However, after holding several talks with government representatives, I have the impression that they are clearly aware that the state of siege is not a permanent measure. I even think that the ruling party will soon consider lifting the siege."

Concerning the ties between our country and the FRG, Schaefer stated that they are traditionally good. "This was proven once again during all the talks I held here. We do not wish to, and cannot meddle in Paraguayan internal affairs, but would rejoice at a better implementation of a multi-party democracy in this country," Schaefer stated. "I am convinced that the government also knows perfectly well that it has some weak points and that they are recognized abroad," Schaefer added.

Asked whether he discussed the Laino, Resck, and Roa Bastos cases with the president of the Supreme Court, Schaefer stated: "I brought up the Resck and Roa Bastos cases. However, I concentrated on the case involving Domingo Laino because when I met him in Buenos Aires he gave me a petition asking that I raise his case here in Paraguay." Concerning the Remigio Gimenez case, Schaefer added that "Dr Argana promised me that the pending trial will be expedited, but said that Gimenez will not be released. However, he told me that a final ruling will be made soon."

Concerning democracy in Paraguay, Schaefer stated that it is different from the Argentine and Uruguayan democracies. "I believe that I have clearly expressed our points of disagreement. However, I believe that in the future Paraguay will also enjoy a situation similar to the one currently prevailing in Argentina or Uruguay," Schaefer concluded.

RADIO CHILENA INTERVIEWS ARCHBISHOP ROLON

PY122111 Santiago Radio Chilena in Spanish 1600 GMT 12 Feb 86

[All passages within quotation marks recorded]

[Text] Asuncion Archbishop Monsignor Ismael Rolon has said that the Paraguayan Catholic Church is not playing any role in the process of transition to democracy in his country. He said that Paraguay is going through a period of reflection. Radio Chilena has contacted the Asuncion Archbishop and president of the Paraguayan Episcopal Conference, Msgr Rolon, by phone. He defined the national dialogue in Paraguay in these terms.

[Msgr Rolon] "There is an attempt being made, not only by churchmen, but also by other people to initiate a period of understanding and reconciliation. At this time the church is not playing any role because this is a preliminary period of reflection. People are expected to give their opinion through the press and radio so that we can take note of the various ways of thinking. After the meeting to be held from 3 to 7 March, the three bishops appointed by the Paraguayan Episcopal Conference to deal with the question will begin their work."

Msgr Rolon, who believes that the return to democracy in Paraguay will be a long-term process, described the political situation as one of expectancy and discussion.

[Msgr Rolon] "We are most happy to see that the opposition is making efforts toward unification. I believe that this year, which is the Universal Year of Peace, will be a period of difficult work which should, however, be worthwhile."

The president of the Paraguayan Episcopal Conference also said that it is very difficult to know what the Paraguayan president, Alfredo Stroessner, who has been in power for 31 years, is thinking. He is not expressing his opinion; only the Colorado Party members' opinion is known. Msgr Rolon explained that the Paraguayan people hope for peaceful solution.

[Msgr Rolon] "People are expecting a real change that will bring reconciliation, not through violence but through peaceful and friendly dialogue. I believe that you [Chileans] have also done something there."

Those were statements made to Radio Chilena by Asuncion Archbishop and President of the Paraguayan Episcopal Conference Msgr Ismael Rolon, who emphasized that he sincerely hopes that the return of democracy in Paraguay will follow a peaceful course.

U.S. ENVOY BRIEFED ON LIBERAL PARTY UNITY MOVE

PY122112 Asuncion LA TARDE in Spanish 12 Feb 86 p 15

[Text] Representatives of a movement called "Promoters of the Unity of the Liberal Party" (PUL) were recently invited by U.S. Ambassador Clyde Taylor to the U.S. Embassy in Asuncion. Raul Ignacio Castagnino, Hugo Galli Riart, and Francisco Campos are leaders of PUL, a movement created early last year. They described to the ambassador the steps they have taken to achieve the unity of the Liberal Party, a traditional Paraguayan political force that is today divided into several factions. Commenting on the meeting with the U.S. ambassador, Castagnino said: "We discussed the history of our party, its merits and services to our fatherland, our political ideas, and the governmental program the party could offer to the country taking into account its tradition and doctrine."

Castagnino made it clear, however, that "all Liberal Party factions must unite first. This is a necessary step for achieving our ultimate objective of quickly bringing about true democracy in the country." Castagnino said Ambassador Taylor expressed interest in the movement for unity of the Liberal Party, in every effort aimed at improving the democratic system, and in the country's present and future political situation. Castagnino also said that, in his opinion, Taylor "is not taking sides with any political sector in Paraguay; he is not voicing support for anyone, but he is trying to learn the true Paraguayan political situation."

POLICE REPORT DRUG TRAFFICKERS KILLED IN CLASHES

PY121523 Paris AFP in Spanish 1434 GMT 12 Feb 86

[Text] Lima, 11 Feb (AFP) -- The police reported today that approximately 19 drug traffickers died during a clash with the Peruvian Civil Guard in the jungle region of Progreso, 600 km northeast of Lima. According to police, no casualties were reported among the Civil Guard. The police added that the clash, which occurred on 7 February in the jungle area of a coca-producing region, was reported just last night.

The Civil Guard patrol had left from Tarapoto, 840 km northeast from Lima, heading for Progreso in the Uchiza region. This area has become the main theater of operations for the Peruvian and Colombian drug trafficking gangs operating in the Amazon region.

It was reported that the drug traffickers' gang was large and tried to shoot its way out. After half an hour, several of the criminals fled in motorboats in the Huallaga River, abandoning the bodies of 19 of their accomplices.

On that same day, near the Satipo region, 560 km east of Lima, 12 other drug traffickers died during a clash between rival gangs in a dispute over the purchase of cocaine produced in this central Peruvian jungle region.

EDITORIAL VOICES CONCERN OVER 'AMERICA BATTALION'

PY120255 Lima EL COMERCIO in Spanish 28 Jan 86 p A 2

[Editorial: "The Guerrilla Connection"]

[Text] Extremely alarming news from Colombia gives some idea of the growth of the subversive movement on the continent, and of an event that has been mentioned several times but only occasionally supported by evidence. This is the international connection between various terrorist and guerrilla groups that operate in different countries.

According to a report from Cali, high-ranking officers of the Third Brigade of the Colombian Army have given detailed reports on the creation of an international guerrilla group that plans to operate from southwest Colombia and to extend its antisocial action into neighboring countries such as Panama, Venezuela, Ecuador, and Peru.

This information was provided by three witnesses. They are Colombian military officers who were captured by members of the National Guerrilla Coordinating Board, CNG, but were later rescued by members of a Colombian garrison. According to the report the members of the CNG are from five countries who have created a combat unit called "America Batallion," which trains subversive personnel to extend their antisocial influence along the subcontinent.

A few weeks ago the international press reported that the M-19 group will reportedly be strengthened by a detachment of Palestinians, probably PLO members. This is an indication that this "Terrorist International" has perhaps greater significance than first assumed.

Meanwhile, the subversives have already seen action in several clashes with the regular Army causing over 30 casualties. For the time being their main objective is to sabotage the upcoming Colombian elections in the Cauca, Narino, Valle, Huila, and Tolima Departments, and in the Putumayo Intendency.

Obviously the bold appearance of this subversive group in such a strategic region represents an undeniable threat which can only be fought by a joint and coordinated action of the security forces of the different countries involved. It should be kept in mind that there seems to be a connection between guerrillas and drug trafficking as could be noted in the takeover of the Justice Palace in Bogota. However, such intergovernmental cooperation will certainly require a series of political and diplomatic steps which should be taken without delay.

It is also obvious that such subversive movements cannot be organized without the decisive intervention of foreign powers outside the region, possibly and extracontinental power. As pointed out, these movements are terrorist and guerrilla international groups, the location of whose centers of operations are well known. Without doubt these international groups are providing training, weapons, and all the required logistical support, which is very complex and expensive for isolated movements to obtain without foreign aid.

It is also important to contemplate what attitude should be taken, either individually or jointly, regarding those countries or regimes that in one way or another support extremists, who in such a bloody way threaten the democratic stability of our countries.

BRIEFS

INTERNATIONAL RESERVES -- The Peruvian Central Bank has reported that the Peru's net international reserves on 30 December 1985 stood at $1.478 billion, an increase of $90 million over the reserves in November 1985. [Summary] [Lima EL COMERCIO in Spanish 15 Jan 86 p A 11 PY]

MINISTER LEAVES FOR ISRAEL -- Minister of the Presidency Nicanor Mujica Alvarez Caldaron this morning left for Tel Aviv to attend the Eighth World Jewish Congress to be held in Jerusalem on 26 January. He said he is the bearer of a letter from President Alan Garcia, who was invited to attend the congress. [Summary] [Lima Television Peruana in Spanish 0000 GMT 25 Jan 86 PY]

OIL POLICY TO BE COORDINATED WITH MEXICO

PA112232 Caracas EL NACIONAL in Spanish 2 Feb 86 p D-5

[Text] Mexico City -- Interior Minister Octavio Lepage declared here that his country and Mexico will be discussing all oil-related measures before implementing them.

Dr Lepage said during a press conference that Mexico's decision to lower its oil prices was made prior to the Cancun meeting, and that that decision is compatible with the declaration signed by Presidents Miguel de la Madrid and Jaime Lusinchi.

He noted that in recent months there have been oil price reductions in both Mexico and Venezuela, and that the most important aspect of the Cancun conference is that from now on, thanks to the creation of the Oil Cooperation Board [Junta de Cooperacion Petrolera], the two countries will analyze and discuss all of the measures either country may want to implement in the oil sector beforehand.

Lepage noted: As our president has said, the oil situation is not grave, but it is a source of concern because all oil price reductions represent lower income for the treasury. He added: This is a situation that we cannot control, and there is no possiblity of controlling it because international factors beyond our control are involved.

This Cancun conference is in line with the many efforts Venezuela is making for the situation to have the least negative effects, said Lepage. As I have said, he continued, the Cancun meeting was more positive than had been expected, although this does not mean that all of our problems were solved there.

The oil internationalization policy represents another effort. This effort represents the acquisition by Venezuela of shares of foreign enterprises that refine and distribute hydrocarbons in order to secure a market, since markets are lost as other countries sell refined products cheaper than we do.

During the press conference the minister discarded the possibility that the arms used by the M-19 [19 April Movement] for the attack on the Palace of Justice in Bogota, Colombia, were purchased in Venezuela.

Lepage explained: The arms could have arrived there some other way. For example, we -- and at this point we can say this -- help liberation movements in other countries, and we send arms to some of them. Besides, it is possible that we had a period of subversion during which arms were stolen during attacks. We cannot make these things more important than they actually are.

Lepage said that the country's main problems are unemployment, the high cost of living, and personal security. He immediately noted that the first two problems are on the upper part of a vertical list, while crime and personal security would be the middle because continous efforts have been made to improve the security situation.

Regarding reports about the fall of the tyrant of the Caribbean, Minister Lepage said it will be very difficult for the long-lasting Duvailer dictatorship in Haiti to survive the crisis it is enduring, but the end has not arrived yet. For this reason we must wait to see what happens.

SEPULVEDA, SHULTZ CONTINUE MEXICALI TALKS IN U.S.

FL122213 Mexico City NOTIMEX in Spanish 0235 GMT 12 Feb 86

[Excerpt] Washington, 11 Feb (NOTIMEX) -- Foreign Secretary Bernardo Sepulveda Amor and U.S. Secretary of State George Shultz met here today to continue the talks that began during the meeting of the U.S. and Mexican presidents in Mexicali. State Department sources said that the talks were not related to yesterday's talks between Shultz and the foreign ministers of eight Latin American countries.

The meeting between Shultz and Sepulveda was cordial. Also present at the meeting were Jorge Espinosa de los Reyes, Mexican ambassador to Washington, and Elliott Abrams, U.S. assistant secretary of state for inter-American affairs. Immediately after the meeting Sepulveda left for New York.

U.S. PREPARES EMERGENCY ECONOMIC AID PLAN

FL122348 Mexico City NOTIMEX in Spanish 1925 GMT 12 Feb 86

[Excerpts] Mexico City, 12 Feb (NOTIMEX) -- The U.S. Government has announced that an emergency package for Mexican assistance is almost ready and includes export and trade credits as well as the purchase of oil.

The package includes an $8.5 billion credit for the purchase of food from the Guarantee Credits Corporation for raw materials, $200 million from the Import-Export Bank, $1.85 billion from the central banks of industrialized countries, and $5 billion from the IMF.

It was reported that President Miguel de la Madrid will visit Tokyo on 7 April and during his meeting with Prime Minister Yasuhiro Nakasone, he will request a $500 million credit from the Japanese banks for the creation of a petrochemical plant on the Pacific coast. Japan is one of the countries that has benefited the most from the fall of oil prices since it is one of the world's most important hydrocarbon consumers and according to U.S. officials, the Japanese are dedicated to providing extensive assistance to Mexico.

In reference to the purchase of oil, the U.S. Government plans to purchase more Mexican oil. The United States currently purchases 750,000 barrels of oil daily while the rest of Mexico's export production (another 650,000 barrels) is sold to clients in Europe and Japan. Mexico is the principle vendor of oil to the United States.

U.S. officials estimate that Mexico's financial needs for 1986 will be approximately $6 billion to meet its financial and international commitments on time as well as its needs.

FORMAL MEETINGS ON GATT MEMBERSHIP BEGIN

FL122220 Mexico City NOTIMEX in Spanish 1750 GMT 12 Feb 86

[Text] Mexico City, 12 Feb (NOTIMEX) -- The Mexican Government will begin formal contacts today for joining the GATT, it has been reported by official sources in the financial sector.

The sources added that Mexican Government representatives gave GATT Director General Arthur Dunkel their proposal concerning Mexico's participation in this multilateral organization and requested a 12-year deadline to completely liberate the national economy.

Mexico will also demand that the GATT respect its industrial development programs for the automobile and pharmaceutical sectors and some advantages that the agreement offers to the developing countries which are in the process of joining.

The sources said that the Mexican Government believes Mexico's admission to the GATT will open the way to the world market, with countries like Japan, Canada, and the EEC, in addition to stepping up the structural changes in the country's production sector to increase nonoil exports.

They added that the Mexican delegates who are in Geneva, Switzerland -- headquarters of GATT -- will have to carry out some difficult negotiations, because there are some obstacles, such as the veto against the mini-devaluations that are aimed at making Mexican products more competitive in the international market.

It is expected that Mexico will join the GATT by next September, when a new round of negotiations is scheduled at world level in this multilateral organization.

OPPOSITION PARTIES DEMAND DEBT MORATORIUM

PA122326 Mexico City UNOMASUNO in Spanish 3 Feb 86 p 4

[Text] Representatives of the Unified Socialist Party of Mexico [PSUM], the Revolutionary Workers Party [PRT], and the Socialist Workers Party [PST] demanded yesterday that the Mexican Government "cease toying" with the serious foreign debt problem and immediately declare a moratorium to renegotiate better payment terms to give the people a reprieve.

Commenting on statements by Commerce and Industrial Development Secretary Hector Hernandez, who said that the country reached its limit for adjustments and that the government is at a loss over the course for the money to pay the foreign debt, Eduardo Montes of the PSUM committee said that "the regime is in an alley" where the only way out is the one proposed by the leftist opposition; namely, "the suspension of payments and a new economic policy."

In turn, PRT deputy Pedro Penaloza stressed that the country's economic situation "is nearing a point where the ruling bureaucracy cannot find solutions for the payment of obligations abroad and simultaneously keep an eye on domestic stability. With the drop in oil prices, the regime does not stand a chance of being able to pay any more."

He also said that, today more than ever, the country's realistic alternative "is to declare a moratorium; there is no other way out. The government technocrats can invent whatever they want, but we are in the presence of bankruptcy."

He continued: "It is impossible to continue this economic fantasy of paying while the people starve. We are not confronted by a prerevolutionary situation, but we are in the presence of a radicalization of society that can become violent if a suspension of the payments is not declared."

He also said that Hernandez' warning in Geneva that social outbreaks could occur is due to the fact that "some government sectors clearly understand that the policy of sacrificing the Mexicans to the extreme has a limit."

Finally, Penaloza stressed that "some officials, such as Jesus Silva Herzog, Finance and Public Credit secretary, and Hernandez cry abroad for better payment terms while we insist that the only way out is not to pay. Otherwise, we would starve."

Montes also said that the Mexican people's stamina "is very great, but it has reached its limit. As the saying goes, no evil will last a hundred years, and no people will be able to withstand it. The adjustments have been borne, but with growing unrest."

Montes said that the regime must answer a question: "What does Hernandez mean by saying that democracy is endangered? Are the protesting voices going to be repressed? His words can be construed as a threat against those who in the future engage more vigorously in the search for higher standards of living."

He pointed out that the government has been trapped by its own idea that it is possible to grow and pay. "Meanwhile, the leftist opposition maintains exactly the opposite. As a country, our only alternative is to declare a suspension of the debt payment and reorient the economic policy so that the great capitals are no longer given great concessions by the regime, as has happened thus far."

In addition, the PST stressed that due to an oil price drop -- $4 on the average -- Mexico "is in fact insolvent. We only need an official statement to begin immediately suspending the interest payments on the debt, although Silva Herzog feels that it is premature to discuss it."

In a press communique, the PST said that the oil price drop represents more than $2 billion that will not be received this year. In turn this amount represents 20 percent of the amount paid in interest on the foreign debt, which has reached nearly $100 billion.

He concluded: "Mexico cannot pay, no matter how badly the government wants to."

CANAL PROBLEMS LINKED TO ECONOMIC DIFFICULTIES

PA122009 Panama City LA PRENSA in Spanish 11 Feb 86 p 10 A

[Article by Roberto N. Mendezi: "What Is Behind the 'Delvalle' Plan?"]

[Text] Sirs:

As several labor, business, and political organizations have already pointed out, the development "plan" recently presented by President Delvalle is essentially the same as the structural adjustment program imposed on the country by the IMF in 1982. That program was also fervently espoused by the Ardito Barletta administration.

Nevertheless, it is also unquestionable that there are some new elements in the president's plan. The repeated remarks about a better use of Panama's geographic location and the reference to the "negotiations" for the widening of the Culebra Cut and "other related investments" are not merely verbal exercises (as some had thought). Readers will recall that when former President Ardito Barletta visited New York (shortly before his "resignation"), he signed an agreement for a feasibility study for the widening of the canal. Reports from the Canal Commission indicate that the project is viewed as "urgent." The reason is not only because of the increasing number of ships that cannot transit the canal because they are too wide, but because the narrowness of some areas (such as the Culebra Cut) prevent the simultaneous passage of ships, which leads to delays that are increasingly costly to the shippers.

Article 12 of the Torrijos-Carter Treaty granted the United States the power to build a third set of locks. However, Article 13 of the treaty establishes that in the year 2000 the United States must return the canal to Panama "free of liens and debts other than what is agreed upon by the parties." Here is the problem. The widening of the canal or the construction of a third set of locks (or the construction of a seal level canal) involves an investment of hundreds of millions of dollars. In other words, it is a debt that the Canal Commission will be unable to pay off before the year 2000. Therefore, the Torrijos-Carter treaty would have to be modified or perhaps even a new treaty would have to be drafted.

I have been told that the negotiating mission for the "new" letter of intent with the IMF and the World Bank learned when it arrived in Washington a few days ago that the U.S. Government wants to link the negotiations on that letter to the canal problem and that it is even willing to overlook some of the structural modifications previously demanded in the fields of agriculture and industry as long as this subject (and perhaps any other related topic such as that of military bases beyond the year 2000) forms part of the new "package" of intentions. All of this would fit in with the rest of the circumstantial evidence that has been mentioned here.

In other words, just as the United States manipulated and took advantage of the fiscal and financial crisis that affected Panama in 1976 and 1977 in order to obtain the signing of the capitulatory Torrijos-Carter Treaty, the objective now seems to be the achievement of a new pact (or "understanding") regarding the widening of the canal!

No rational Panamanian is opposed to the construction of a sea level canal, a third set of locks, or the widening of the canal as long as the country adequately benefits from such projects and as long as they do not involve any type of political concessions.

Therefore, the danger -- and this is a call to be alert -- is that the government, overwhelmed by the fiscal crisis it has faced since 1982 and by its own corruption and internal political crisis, will accept a new antinational pact with the United States in exchange for a few loans or "donations" to resolve its crisis (temporarily at the most). Therefore, it is up to the Panamanian people to decide whether they will permit a new dirty trick as the one in 1977.

PARTY LEADERS REACT TO NORIEGA LETTER TO GALVIN

PA130136 Panama City LA PRENSA in Spanish 12 Feb 86 p 1 A

[By Jose Quintero, Flor Quintero, and Allan Perez]

[Text] Aside from legislator Pedro Brin Martinez, of the official Democratic Revolutionary Party, PRD, several Panamanian political leaders expressed their "repudiation" the alleged "memo' sent by General Manuel Antonio Noriega, commander of the Defense Forces, to General John Galvin, chief of the U.S. Southern Command, with a detailed report on the incidents that culminated with the separation of former President Nicolas Ardito Barletta from the presidency.

In a communique he signed for the Popular Action Party (PAPO), Carlos Ivan Zuniga made public "its total and absolute repudiation of the interference by the U.S. Southern Command in the internal affairs of the country" by demanding from Commander Noriega 'his report on the overthrow" of former President Barletta.

Zuniga said that PAPO repudiates this action and defines it as "clear evidence of the most outrageous capitulation by the military forces ruling Panama today."

He also rejects the false charges contained in the memorandum against PAPO as "promoters of national sedition," and that links them to the "operation the U.S. Army and National Guard intelligence services mounted against that party's assistant secretary general, Jose Alberto de la Guardia."

On the same topic, the vice president of the Christian Democratic Party, Guillermo Cochez, said that the action by Gen Noriega "in an authentic democratic system would merit his standing trial for high treason because he has not only insulted the Panamanian armed institution, but also all Panamanians who once again witness the hypocrisy of Gen Noriega."

For Cochez, the memo sent by Noriega demonstrates that when the Panamanian military speak of sovereignty and political independence, they do so "insincerely."

"In signing the treaties, Torrijos said that Panama remained under the umbrella of the Pentagon, and now Noriega's actions show that in addition to this the military must account for its actions to the U.S. entity and not to the Panamanian people," he noted. Cochez added that "as a Panamanian I am ashamed of the actions by the officer who today circumstantially heads the Defense Forces because I feel his actions cannot be endorsed by the entire military officialdom."

Referring to the memo sent by Noriega to Galvin, PRD Legislator Pedro Brin Martinez said that "exactly what Gen Manuel Antonio Noriega affirmed were the events in detail concerning the resignation of former President Barletta."

Without confirming the veracity of the document, Brin Martinez, president of the assembly's Foreign Relations Committee, pointed out that when Ardito Barletta assumed power, "he demonstrated the lack of political capability to uphold the unity of the government and to meet the economic problems affecting the country."

He noted that "Barletta wanted to run things with a banker's criterion, rather than adopting an analytical postiion, which he should have done as a man entrusted with the nation's destiny" within "respect for human dignity, patriotism, and national sovereignty."

The PRD legislator assured that former President Ardito Barletta excessively stuck to the positions of the World Bank, the IMF, and the organizations to which Panama is committed.

He added that the positions of the international financial organizations first led the former president to the proposal of Law 46 which "nearly caused his government's downfall," because it was a tax law that affected "not only the masses, but also the Panamanian investor."

Finally, he said that the points contained in the memo to Gen Galvin were precisely "those we know which were given to us in detail, and which led to the resignation of former President Ardito Barletta, who really had no other way out."

Legislator Marcos Alarcon, of the Authentic Panamenist Party, said that the action by Gen Noriega in sending a memo to his colleague, Gen Galvin, quartered in the canal area, informing him of the incidents that brought about the overthrow of Nicolas Ardito Barletta showed the Armed Forces dependence on the United States.

Alarcon, who is also the coordinator of the independent teachers movement, said this action "confirms the submissiveness of the Panamanian Government to the dictates of Washington."

He feels that Noriega's attitude reflects his "demagogic patriotism, which could in fact be called 'chauvinist partriotism', that depicts, for domestic and international consumption, the false stand of a nationalism that in practice cannot stand up to the facts, such as having to report to foreigners about political issues that only concern Panamanians."

Herasto Reyes, leader of the Socialist Workers Party (PST), said that "the memo explains the joint action between the chiefs of the two Armies that are active in the country, Generals Manuel A. Noriega and John F. Galvin."

Reyes added that the memo shows, "as it has been said and is known, that the real power lies in the National Guard; that when heads must be physically cut off, as in the case of Dr Hugo Spadafora, or politically, as they did with President Barletta, it will be done."

However, for this Panamanian leftist leader "the memo also reveals that despite the fact that Barletta is a pawn of the World Bank and the IMF, and that he believed he was as safe as if he were held in God's hand, it turned out that the U.S. military decided to save Noriega, even in detriment to Barletta, who was a pawn of its banking interests in Panama."

In view of the serious crisis created by the death of Dr Spadafora "which threatens the power of the Defense Forces," Reyes feels that "Galvin and the entire U.S. military setup decided to replace Barletta with Delvalle within what they call constitutionality. However, it is clear that Delvalle inherits Barletta's fraud."

The controversial politician maintains that "the gringos will try to uphold a democratic masquerade in Panama at any cost. If it is necessary to politically cut off Noriega's head, they will do so."

Later, he predicted that as an outcome of these events there will be profound social disturbances "because the people are not going to allow the application of Delvalle's plans, and will checkmate it (the Government) just as they did over the death of Spadafora."

PAPO VIEWS GENERAL NORIEGA AS 'GROVELER'

PA110041 Panama City EXTRA in Spanish 10 Feb 86 p 11

[Text] The head of Panama's National Defense Forces, General Manuel Antonio Noriega, has been described as a groveler because he sent John Galvin, head of the U.S. Southern Command, a memo explaining how Dr Nicolas Ardito Barletta was overthrown on 27 September 1985.

The charge is made in a communique issued by the People's Action Party (PAPO) on analyzing the contents of the note sent by the high-ranking Panamanian military man to his U.S. colleague.

The PAPO rejected the false accusations contained in the memo, which stated that PAPO members are promoting local sedition.

The opposition group claims that this case is similar to the infamous operation that was carried out by U.S. intelligence services and National Department of Investigation agents ending with the arrest of Jose Alberto de la Guardia, PAPO deputy secretary.

The communique described the U.S. general's actions as meddling by the Southern Command in the "internal affairs of our country."

COSTA RICA

GOVERNMENT READY TO NORMALIZE TIES WITH NICARAGUA

Foreign Minister Comments

PA121922 San Jose Radio Impacto in Spanish 1830 GMT 12 Feb 86

[Text] Foreign Minister Carlos Jose Gutierrez this morning told the press that everything is ready for the exchange of official notes concerning the apologies the Nicaraguan Government must present to the Costa Rican Government over the Las Crucitas aggression. He confirmed that an agreement was reached with the Sandinist regime about the correction our country made to the draft note presented 10 days ago. Gutierrez added that the Costa Rican Government told the Nicaraguan officials that once the elections were over they would review the text of the draft document.

Asked about the effects the normalization of relations would have on the upcoming meeting of Contadora plenipotentiaries, he said:

[Begin Gutierrez recording] On would have to see first what attitude Nicaragua will assume in the meetings to be held in Panama on Friday and Saturday. Of course, the immediate result is that a difficulty existing between two countries of the areas has been resolved. But this does not affect directly completion of the negotiations on the Contadora document, which is what will be done in Panama on Friday and Saturday. [passage indistinct] The president will make a statement about this in the note responding to Nicaragua. [end recording]

He added that Oscar Castro Vega, the Costa Rican ambassador who had been recalled to the country, will be sent to Nicaragua in the next few days. Upon the normalization of relations with Costa Rica, Leonor Arguello, the Nicaraguan ambassador to Costa Rica, may be sent to Europe, where she has been assigned to a top position. In addition, approval for Claudia Chamorro, who had been appointed ambassador to our country, might be given.

Council Ratifies Ambassador

PA122000 San Jose Radio Impacto in Spanish 1855 GMT 12 Feb 86

[Report by Grethel Tinoco from the Presidency -- live]

[Text] During an ordinary session today, the Government Council decided to ratify the appointment of newsman Oscar Castro Vega as Costa Rican ambassador to Nicaragua. This is based on the fact that the two countries will resume diplomatic relations in the next few days.

According to Information Minister Armando Vargas Araya, spokesman for the Government Council, Foreign Minister Carlos Jose Gutierrez presented a report to the Government Council on the current situation and the exchange of official notes that will take place in the next few hours. In this exchange of notes the Sandinist authorities will offer an apology requested by the Costa Rican Government.

The information minister gave more details on the appointment and ratification of Oscar Castro Vega as Costa Rican ambassador to Nicaragua:

[Begin Vargas recording] In view of the foreign minister's report to the Government Council that an exchange of letters will be made between the governments of Costa Rica and Nicaragua in the next few hours, in which Costa Rica accepts the apology presented by the Nicaraguan Government over the 31 May Las Crucitas incident, the Government Council ratified the appointment of newsman Mr Oscar Castro Vega as Costa Rican ambassador to the Nicaraguan Government. Also, the Foreign Ministry said Mrs Claudia Chamorro Cardenal, the Nicaraguan ambassador-designate to San Jose, will receive the diplomatic post. [end recording]

That was a statement made by Minister Armando Vargas Araya, Government Council spokesman, on the normalization of diplomatic relations between Costa Rica and Nicaragua. In addition, he reported on various aspects discussed during the Government Council including a grand greeting to be organized by Turrialba Municipality for President Luis Alberto Monge in the [name indistinct] Salazar Theater in April. It was also reported that presidency Minister Danilo Jimenez Veiga will preside over a work team tasked with coordination of the power transfer, specifically in the social and economic aspects.

It was also reported that a meeting of delegates of the presidents of Guatemala, El Salvador, Honduras, and our country will take place here next week to further reactivate commercial exchange in the region. This exchange of views was promoted by President Luis Alberto Monge.

It was also reported that Mr Rene Castro Hernandez, father of current Government Minister Rene Castro Salazar, was appointed as the new Costa Rican ambassador to Barbados and other Caribbean countries.

These were the most important issues discussed during today's sessions of the Government Council.

This has been Grethel Tinoco with the second edition of "Impacto News."

PRESIDENT-ELECT OUTLINES FOREIGN POLICY

PA120446 San Jose LA REPUBLICA in Spanish 4 Feb 86 p 3

[Text] President-elect Oscar Arias Sanchez has outlined his foreign policy for foreign correspondents. It is based on the following outstanding points:

1. Neutrality with regard to armed conflicts between countries.

2. Respect for the principle of self-determination of peoples and nonintervention in the internal affairs of other countries.

3. Dialogue with Nicaragua only in a multilateral manner until that government offers an apology and explanations to the Costa Rican Government for the killing of two civil guardsmen in Las Crucitas on 31 May 1985. Nicaragua must restore liberties within its territory.

4. The search for peace in Central America by taking a more active role as an agent of peace in the region.

5. Support for the Contadora Group peace process, without implying exclusivity (in the search for peace in Central America).

6. Friendly relations with the United States and a search for aid for the country's development programs.

7. Fluent and constant communication with the EEC.

8. Renegotiation of the foreign debt totalling more than $4 billion and relations with the IMF (not subject to implementation of its harsh suggestions when they are to the detriment of the country's social interest programs).

CENTRAL BANK ORDERS NEW MINIDEVALUATION

PA122346 San Jose Radio Reloj in Spanish 0100 GMT 12 Feb 86

[Text] The Central Bank Board of Directors has decided to order a new minidevaluation of the colon in relation to the dollar. The 25-centimo devaluation means that the dollar will sell for 54.20 colones and will be purchased for 53.70 colones. This is the first change in the exchange rate adopted this year, according to the members of the Central Bank Board of Directors.

The minidevaluation ordered by the Board of Directors during today's session was based on the same policies applied in previous devaluations, according to Central Bank officials. The parameter used was the rate of inflation on the international markets compared to Costa Rica's inflation rate. Moreover, the sources added that the application of this policy is provided for in the agreement signed with the IMF which is still in force.

ARIAS GOVERNMENT APPOINTS CONTADORA DELEGATE

PA130032 San Jose Radio Reloj in Spanish 0100 GMT 12 Feb 86

[Text] The new government that will take power on 8 May has appointed former Deputy Foreign Minister Jorge Urbina as its delegate to the Contadora Group negotiations. Notification of this was received by the Foreign Ministry; therefore, Urbina will travel to Panama next week with the delegation headed by Gerardo Trejos, deputy foreign relations minister, to participate in the meeting of Contadora plenipotentiary ministers.

Foreign Minister Carlos Jose Gutierrez announced 2 weeks ago that as soon as he knew who would take power in May, he would invite a delegate to participate in the Contadora negotiations so the process would not experience any delays as a result of the change in administration.

GUATEMALA

REBELS PROMISE NOT TO OBSTRUCT DEMOCRATIC PROCESS

PA120443 Panama City ACAN in Spanish 1957 GMT 11 Feb 86

[By Oscar Rene Oliva]

[Text] Guatemala City, 11 Feb (ACAN-EFE) -- The Guatemalan guerrillas' decision to "not obstruct the democratic process" has been well received by political leaders because it represents a "sign of democratic opening" in Guatemala.

Pablo Monsanto, one of the main leaders of the URNG, which includes four rebel organizations operating in the country, said last week in Cuba that "the Guatemalan guerrillas will not obstruct the new president, Vinicio Cerezo, from carrying out his democratic promises."

Monsanto warned, however, that "We are not committed to the promises (of Cerezo) but to the achievements. Meanwhile, we have the duty of continuing the struggle. To stop or to lay down our weapons would be a crime." The Guatemalan guerrillas have been fighting in the mountains for 30 years.

Ramiro De Leon Carpio, secretary general of the Union of the National Center (UCN), the second most important political force in the country, described this rebel decision as a "truce" and told ACAN-EFE that this decision "would be well received in Guatemala, and particularly abroad, because it means that something is being done to promote democracy."

De Leon Carpio, who ran for vice president on the UCN ticket in the 1985 elections, added that "this means they have confidence, and that at any moment they might lay down their weapons and publicly participate in the country's political life in order to reach real peace."

Meanwhile, Enrique De Leon, deputy for the Democratic Socialist Party (PSD), said "the decisions of the guerrilla leadership on this truce also entail supporting the socio-economic and political development of the country." "Guatemala, like the nations that have a constitutional system, particularly those that are starting their democracies, deserve the support of all sectors. This logically involves all these movements," De Leon added. The Social Democrats moved back into the public arena early in 1985, after more than 6 years in hiding because of the political persecution they suffered when the party was being registered.

Leopoldo Urrutia, leader of Democratic Action (AD), which supported the Guatemalan Christian Democracy (DCG) that won the past elections, said "the armed struggle is the result of the negative policy of the previous governments." The political leader feels that if in the future the organized workers and peasants are not persecuted and there are no more kidnappings and murders, "there will be no reason for this struggle between the rebels and the government. The only formula would be participation in the political opening that Vinicio Cerezo guarantees."

The official spokesman for the Army, Captain Juan Fernando Cifuentes, said the Guatemalan guerrillas' promise to not obstruct the government's program "does not mean a truce." The military spokesman said the "Guatemalan Army and people would be pleased if the guerrillas put a definite halt to their hostilities." Cifuentes said the rebels made the offer because the current administration that took over on 14 January, following 16 years of military administration, "has taken away their main arguments." Capitain Cifuentes added that "although the Army wants peace, it will not lower its guard and will be always alert to defending democracy."

President Cerezo recently said that for the time being he cannot offer any guarantees to the rebels and that he will need 1 year to talk with them "and reach an understanding on their participation in the democratic process."

HEALTH MINISTER RECEIVES DEATH THREATS

PA121758 Guatemala City EL GRAFICO in Spanish 11 Feb 86 p 2

[Excerpt] Guatemala City, 11 Feb -- Health Minister Carlos Armando Soto disclosed yesterday that he has been the target of threats, even death threats, after he took measures to purge his ministry. He attributed these threats to dismissals he ordered last week that were aimed at putting an end to corruption that existed in that ministry. Some people were cashing payroll checks by forging signatures that were different every time, and this was confirmed without any problems.

For this reason, the minister concluded, I think these threats are the result of measures taken recently to put an end to corruption in my ministry.

HONDURAS

COL REGALADO HERNANDEZ NEW ARMED FORCES CHIEF

PA131218 Panama City ACAN in Spanish 1158 GMT 13 Feb 86

[Excerpts] Tegucigalpa, 13 Feb (ACAN-EFE) -- The National Congress of Honduras this evening [as received] appointed Humberto Regalado Hernandez as the country's new Armed Forces chief to replace General Walter Lopez Reyes, who resigned on 1 February. The new commander was elected from a list of three candidates that also included Colonel Amilcar Castillo Suazo and Colonel Roberto Martinez Avila. Regalado obtained 127 votes in favor and four abstentions. Three of the 134 deputies from four political parties who compose this country's legislative branch were absent. Colonel Regalado Hernandez, who until today was the commander of the Hunduran Navy, is an expert in counterinsurgency, jungle warfare, and joint Latin American military operations.

LOPEZ REYES COULD REMAIN OUTSIDE COUNTRY 3 YEARS

PA121451 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 11 Feb 86

[Text] An Armed Forces source had told this radio station that the Armed Forces Superior Council had decided that General Walter Lopez Reyes should be out of the country for 3 years. Relatives of Lopez Reyes had told our correspondents that the former Armed Forces commander told them he would be out indefinitely. Gen Walter Lopez had been warned that the best thing to do was leave the country.

However, the Public Relations Department of the Armed Forces said yesterday that Gen Lopez is still a Honduran Army adviser and therefore there should not be any talk about him remaining out for 3 years. But Gen Lopez is in Houston and, according to reports, he will not return in a couple of weeks because his absence from the country will be indefinite.

It was said yesterday that Gen Lopez will be given a foreign service post. In the Honduran Congress it is being said that such an appointment does not mean he has no permission to return to the country, said Orlando Gomez Cisneros, first vice president of the National Congress. If Congress calls him to explain why he was removed from the post of Armed Forces commander, he will have to comply, Gomez Cisneros told our correspondent Guillermo Castellano.

[Begin recording] [Castellano] Does the fact that a Honduran military man is appointed to a post in the Honduran foreign service mean that he cannot return to the country as long as he holds that post, even if that military man is summoned by Congress to explain a removal, as in the case of Gen Walter Lopez Reyes?

[Gomez Cisneros] You are talking about a situation that could happen. The issue here is not that he cannot return to the country. He can be assigned a post abroad by the office of the foreign secretary and still maintain his military rank. The Armed Forces statutes contemplate this type of post.

In the future, Congress, for any particular reason, could summon Gen Lopez to explain his resignation. This is a situation that could take place in the future.

[Castellano] Are there legal restrictions that would ban him from appearing before Congress? Is there a law that could keep him from appearing?

[Gomez Cisneros] No, I don't think there is any restriction. He could perfectly well appear.

He is going to have a post abroad, but he can perfectly well ask for a permit, explaining that Congress has summoned him, and then he can come here to give whatever explanation he finds appropriate.

[Castellano] This is what the vice president of the National Congress has said in response to our questions on national political situations resulting form the overthrow of Walter Lopez Reyes from his post as commander of the Honduran Armed Forces. [end recording]

LOPEZ REYES RESIGNATION LETTER RELEASED

PA130400 Tegucigalpa Radio America in Spanish 0227 GMT 13 Feb 86

["Text" of resignation letter from General Walter Lopez Reyes to the National Congress; no date given -- read by announcer]

[Text] Honorable members:

By this means I convey to you my respectful greetings, my best wishes for your personal good fortune, and my hope that success will crown your actions for the benefit of Honduras and the Armed Forces of the Republic.

The reason for this note is to present my resignation as commander in chief of the Armed Forces of Honduras based on our military organization's charter, which in Article 36, Section II on relief of command states:

The definitive absence of the commander in chief of the Armed Forces may take place due to: a) Death, b) Resignation, c) Physical or mental disability, or d) Legal disability.

My resignation is irrevocable and is submitted with full awareness of my actions and rights as an officer and citizen. It is done without coercion, and no one has influenced me to make this decision. Therefore, the honorable Superior Council of the Armed Forces is empowered to proceed, in accordance with the existing laws, with appointing my successor.

I also wish to express here to you honorable members my personal gratitude for all the sincere and spontaneous cooperation offered to me that made it possible for my efforts to be positive and of great professional and cultural impact, resulting in benefits to each and every one of us who have worn the unfirm with pride.

Without any further particulars, I reiterate my gratitude and ask God to protect you in each of the steps you take in your professional and private lives, all for the benefit and aggrandizement of Honduras and the glorious Armed Forces. Loyalty, honor, sacrifice.

Yours faithfully,

[Signed] Walter Lopez Reyes, brigadier general, commander in chief

NICARAGUA

COMMUNIQUE REPORTS 3 ATTACKS FROM COSTA RICA

PA121902 Managua Domestic Service in Spanish 1800 GMT 12 Feb 86

[Communique issued by the Defense Ministry's Directorate of Public and Foreign Relations on 12 February in Managua; read by unidentified ministry official -- live or recorded]

[Text] On 11 February, three border posts of the Sandinist People's Army [EPS] in southern Nicaragua were attacked by counterrevolutionary mercenary forces who are trying to hinder relations between our neighbor Costa Rica and the Nicaraguan revolutionary government. As a result, an EPS companero was seriously wounded. The actions were as follows:

1. At 0620, a mercenary group attacked the EPS border post in the area of Sarapiqui, 38 km to the southwest of San Juan del Norte, from Costa Rican territory. As a result of this action, one companero was seriously wounded.

At 1130 on the same day, a Somozist mercenary attacked the Delta Border Post, 28 km to the southwest of San Juan del Norte.

At 0820 the same day, a counterrevolutionary mercenary group attacked EPS positions in the area of Machuca, 15 km to the southwest of El Castillo, from Costa Rican territory.

[Signed] Managua, 12 February 1986

Directorate of Public and Foreign Relations, Defense Ministry

SANDINISTS DENY BOMBING MISKITO VILLAGES

PA112308 Managua BARRICADA in Spanish 11 Feb 86 p 1

[Excerpt] Last week spokesmen for Brooklyn Rivera [leader of the Miskito, Sumu, Rama Sandinist Unity organization] falsely reported that the Sandinist Air Force had bombed the town of Layasiksa, which, according to the counterrevolutionaries, was completely razed. That sensationalist report was denied shortly afterward.

HAITIAN DELEGATE SPEAKS AT PARTIES' CONFERENCE

PA121708 Managua Domestic Service in Spanish 0000 GMT 11 Feb 86

[Speech by (Gerard Pierre Charles), Haitian representative at the Conference of Latin American and Caribbean Political Parties, at the Cesar Augusto Silva Convention Center in Managua -- live]

[Excerpts] Companero President Daniel Ortega, companeros of the FSLN National Directorate, Nicaraguan people, companeros and companeras of the Latin American political parties:

There are peoples who have had few historic opportunities to make their voices heard, and my people, the Haitian people, are one of these.

During the last few decades, marked by so many important events in the world and Latin America, Haiti has been separated from the rest of Latin America by a brutal and backward dictatorship.

During the 29 years the dictatorship in Haiti lasted, events of great importance occurred, events such as the Cuban revolution, the Nicaraguan revolution, and the many struggles and victories of the Latin American peoples. But during those 29 years our people, sunk in terror, have advanced very little along the path of progress and civilization.

Today we are in a new phase in our history. The struggle waged in Haiti, which has surprised many companeros, is the result of the tenacious and persevering work of the Haitian people -- the revolutionaries, the communists, the democrats. A process of historic accumulation occurred at the level of the (?conscience), at the level of the organization, and for years, like an underground river, the desire to achieve liberation grew, nourished by all the (?affluent) -- the dissatisfaction and (?increasing awareness) of the starving peasant masses and the working class exploited at the assembly plants and enterprises of imperialism, which took advantage of the fact that there are no unions in Haiti, that it is not possible to strike, and that, under the Duvalier dictatorship, Haiti was a paradise for investors.

(?Decidedly) opposed to the advances of the Latin American peoples, opposed to the advances made by Nicaragua and Grenada, by Cuba yesterday, and by El Salvador, U.S. imperialism unleashed its entire interventionist machinery in an effort to crush the revolutionary movement in Latin America. Opposed to the Haitian people's desire for freedom, a situation of total isolation was created for the dictatorship. In time, the unarmed revolution managed to undo a dictatorship for which the basis was an arsenal provided by imperialism for 29 years. It is precisely against this development that the most recent interventionist maneuvers were carried out, that there was interference by the United States in an effort to foil the Haitian people's democratic movement.

Naturally, the struggle which for some burst into the open so suddenly, but which was the result of long years of effort and sacrifices, lacks a fundamental element, which the Sandinist revolution has shown us: the political-military vanguard that might, precisely, [words indistinct]. The struggle in Haiti was a struggle to achieve democracy, a struggle against the dictatorship.

But the Haitian people have not fought, have not spent so many human lives to have a military junta assume power. The struggle has been waged to establish an advanced democracy, and as much as today's achievements represent a considerable advance in the struggle, we know that the revolution in Haiti must meet many demands and is just beginning now.

This is a matter of solving the problems of a country that has 85 percent illiteracy. It is a matter of solving the immense problems of poverty and malnutrition in the most oppressed country in Latin America, [words indistinct] the poorest in Latin America. It is a matter of putting an end to the humiliation of the people and to the abundant demands for which the people, the youths have fought. All the achievements against underdevelopment, against dependence, and in favor of a new society, which the Sandinist revolution has achieved, represent a true example for Haitians; they represent for Haitians the prospect lying before us of expanding the democratic government, of organizing the revolutionary forces, of obtaining new accomplishments in order to have an authentic revolution.

Today Haiti has rid itself of the dictatorship. Tomorrow it will be Chile, tomorrow it will be Paraguay, if new advances take place in Latin America.

These countries, these three, were a symbol of the old, bloody, and inhuman dictatorships in Latin America. The situation in Haiti, the extremely odd process that has taken place, has once again shown that in Latin America, the peoples' struggles are treading new paths; and they are treading even more original paths in Africa.

As we were saying, the process in Haiti is the result of long work by the revolutionaries, the communists, the socialists, the democrats, and the republicans who wanted to put an end to a monarchic dynasty. But in recent times it has also been the Catholic Church that has had the most participation in this process of increasing awareness, in the process of liberating the people from terror, in guiding youth through a new process of political awareness and politicization. All this was catalyzed by the above-mentioned process of historic accumulation and led to an intolerable situation for the dictatorship, forcing the United States to break its alliance with the dictatorship and put an end to the support it had been giving the Duvalier dictatorship for 29 years. This must be stressed.

While the imperialists that Mr Reagan [words indistinct] attacked the Sandinist revolution, while they claimed that there was no democracy in Nicaragua and that the electoral process was not honest, the worst masquerade of liberalization was taking place in Haiti. But the U.S. press, simply because of its complicity with the dictatorship, claimed that it was an honest process. On 22 July, under pressure from the people, the dictatorship held a referendum, a referendum to learn whether the anachronistic system of presidency-for-life was accepted by the people. That referendum was a masquerade, but the results said 99.8 percent of the people approved of the system. As soon as THE NEW YORK TIMES commented on the support of the State Department and the White House, the dictatorship continued to be endorsed. In December of that year, the State Department approved $53 million in aid, part of the $1.5 (?billion) capital that the United States placed at the dictatorship's disposal during the 14 years of Jean-Claude Duvalier's dictatorship.

Then, unexpectedly, the Haitian popular masses' struggles disrupted the system of domination of imperialism, the support system. It was only on 28-29 January -- that is, 10 days before the dictatorship's fall, that the United States began to express its disagreement with the dictatorship. It was not until 30 January that they stopped the aid they had been giving to the dictatorship.

All this was done simply to say that the victory the Haitian people have obtained is the result of their unselfish struggle, a struggle that has resulted in over 1,000 dead during the last week of the peaceful rebellion [words indistinct]. It is seeing this that we have felt the hypocrisy of imperialism and have felt that for a struggle like this, our people lacked a fundamental element, a political leadership that would have allowed them to gain power.

As we were saying, such new phenomena are taking place in Latin America: the Salvadoran revolution, with all that it has represented, such as new forms of struggle and the participation of new social contingents in the struggle which, after 5 years of intervention (?during this war against) imperialism, has enabled El Salvador to resist, (?remaining at) the vanguard of this struggle, which the peoples of Central America [words indistinct]; and the great victory of the Sandinist revolution, with all the lessons it has imparted, such as new paths, new procedures, new revolutionary contingents, and new roads leading to a revolutionary process.

In Haiti we are beginning a new phase of struggle. We are sure that this new stage will enable the Haitian people to establish a profound democracy and make revolutionary achievements. For this reason, we thank the Latin American companeros who have always expressed their solidarity with us during those long years in exile, that long pilgrimage [words indistinct] we have always found support for the Haitian people's difficult struggle.

And the Haitian people know that without international solidarity they would not have been able to achieve yesterday's big advance, nor will they be able to make the big advances we are promising for tomorrow.

We wish to take advantage of this occasion to express our gratitude to the Nicaraguan Foreign Ministry expressing the support of the Nicaraguan people for the Haitian process and stating Nicaragua's opposition to any type of interference by imperialism, which is trying to foil the Haitian people's just struggle.

We appeal for Latin America's solidarity. The process beginning now in Haiti is a democratic process, it is a process that put an end to a dictatorship. But, within Haiti's context, the strugle for democracy is linked with (?the more) advanced and superior paths of the liberation struggle. We feel that this solidarity is indispensable if we are to advance more in the process of liberation. We wish to conclude by telling our Latin American companeros: The struggle continues. The Haitian people will win. Thank you very much.

LA PRENSA DOWNPLAY OF PARTIES CONFERENCE SCORED

PA120433 Managua Radio Sandino in Spanish 1930 GMT 11 Feb 86

[Station commentary]

[Text] If a newspaper's headlines normally summarize the paper's contents, the text will not only clearly reflect the thoughts of he who wrote it, but also his state of mind. This is perfectly applicable to the headline in LA PRENSA's 10 February edition in which it tried to disqualify the transcendental meeting of Latin American and Caribbean political parties that opened last night in this capital. In addition to indicating the headline writer's state of total dejection and spite regarding the reception that more than 100 political organizations from all of America accorded the FSLN convocation, the headline writer also revealed his thoughts when he said those who participate in this meeting do not represent anything in their own countries.

It is only natural for LA PRENSA that Raul Sendic, leader of Uruguay's National Liberation Front, Tupamaros; Volodia Teitelboim, member of the Communist Party of Chile's Politburo and Secretariat; Pompeyo Marquez, president of the Movement for Socialism and vice president of the Venezuelan Senate; Ruben Berrios, president of Puerto Rico's Independentist Party [Partido Independentista de Puerto Rico], and Quiche Indian Rigoberta Menchu, leader of the Guatemalan Opposition Unity [Unitaria Oposicion Guatemalteca] represent nothing. They do not represent anything simply because they represent the peoples of their still subjugated homelands; because they represent their peoples' just and most beautiful aspirations; because they represent the desire for peace, social justice, and sovereignty; and because they represent the will of all the oppressed peoples of America and the world. Definitely, those participating in this meeting have nothing in common with and represent (?much more) than the ladies and gentlemen in a picture placed precisely above the headline with which LA PRENSA's people tried to conceal before their very eyes the importance of this meeting.

UNO BACKS OPPOSITION PARTIES' PEACE PROPOSAL

PA130255 San Jose Radio Reloj in Spanish 1200 GMT 12 Feb 86

[Text] The Nicaraguan Opposition Unity, UNO, has stated in a communique that it supports the peace proposal submitted to the Nicaraguan regime by six Nicaraguan political parties.

In addition, the UNO called on the democratic groups to support the efforts to eradicate totalitarism in Nicaragua.

The UNO said that the proposal formulated by the political parties meets the requirements for achieving the peace the Nicaraguan people are demanding.

Finally, the UNO indicated that it supports the thrust of the Caraballeda document, which outlines the steps to be taken to achieve national reconciliation, respect for human rights, and freedom.

REGULATIONS FOR CASH USE, BUSINESS TRANSACTIONS

PA130103 Managua Radio Sandino in Spanish 1200 GMT 12 Feb 86

[Text] A Central Bank spokesman has reported that the monetary regulation governing the use of cash by all agricultural, livestock, commercial, service, and tourism businesses as well as state agencies will be implemented at the end of this week.

The main purpose of these monetary regulations is to have all such businesses and agencies use checks, bank drafts, or some kind of checking account for making payments.

An underlying aim of this measure is to find a way to attract the large amount of cash circulating in the hands of the unofficial or parallel sectors that have cropped up in the country lately as a result of the short supply of staples and (?specialty) items, and the greater demand that has arisen because of the increase in salaries and the freezing of those products' prices.

When this regulation goes into effect, businesses will be assigned banks for their use based on the nature of the business.

FURTHER ON THIRD PCC CONGRESS SESSIONS

Political-Administrative Report

FL121634 Havana Tele-Rebelde Network in Spanish 1420 GMT 7 Feb 86

[Text] One of the documents reviewed by the congress delegates was the draft resolution concerning the improvement of the country's political-administrative division. Although the current political-administrative division represented a highly positive change concerning the planning, administration, and control of political, economic, and social activities, the results should be thoroughly analyzed. Although the draft document rightfully asserts that the disproportionate development of many regions throughout the country has progressively decreased, there are still some municipalities that have not achieved adequate economic growth. In addition, there are large cities where it is difficult to exert appropriate guidance of the political, economic, and social activities -- given the large number of citizens and units there. Following a 10-year enforcement period and a thorough analysis of the results obtained from the political-administraive division, it is necessary to establish measures for improving this system.

All this has been stated in the documents which conclude that the limits between provinces and municipalities have remained stable, and any modification in this concern must be prompted by extreme difficulties in giving appropriate attention to the population. Towns which are no longer country seats must maintain the appropriate facilities so their inhabitants may carry out any activity without going to the provincial capital. So-called people's councils will be created there to safeguard the quality of services and help solve the local problems. The proper studies will continue in Havana to achieve stronger political-administrative units, so that they may carry out government functions more efficiently.

Another experience which is valid for the next 5-year period is the creation of districts in other large cities, such as Santiago de Cuba and Camaguey. These and other modifications will undoubtedly represent new measures to guarantee a better socio-economic development in the country, a just aspiration which began to become a reality during the First Party Congress.

[Begin recording] [First unidentified speaker] Comrade Commander in Chief Fidel Castro Ruz, comrades of the presidency, comrade delegates, and guests: The work commission appointed to analyze the draft resolution about the country's political-administrative division met in the City of Havana at 1745 on 5 February 1986, year of the 30th anniversary of the Granma landing, in room 12 of the Palace of Conventions with the participation of its 80 delegates, marking 100 percent attendence.

Following a general analysis and debate on the draft project, the commission in charge of examining the document came to the following conclusion: Ten years after the enforcement of the current political-administrative division, and once the results of this enforcement were examined, it is convenient to prepare and implement a series of proposals which, even though they do not introduce substantial modifications in the document approved by the First PCC Congress, are mainly aimed at achieving a gradual improvement of the political-administrative division enforced in 1976. The improvement proposed is a result of the work carried out for 2 years by the [10-second break in recording] at the Central Committee's headquarters. The final phase included an overall analysis, which was carried out during several work sessions at the PCC Central Committee headquarters during September and October 1985. The analysis ascertained that the political-administrative division approved during the First Party Congress has contributed to achieving an increased socio-economic development and stepping up development in the country's most backward territories.

Nevertheless, it was also ascertained that there is still a certain number of municipalities which achieved some progress from the socioeconomic viewpoint after the corresponding structures were installed and their development plans were carried out, but they still lack enough economic-social potential to establish in them an economic and administrative organization which allows them to solve all the local problems with an acceptable level of autonomy. It was also ascertained that following the implementation of the new political-administrative division in 1976, certain towns and villages that were formerly county seats decreased their levels of attention and services to the population. The analyses carried out based on the experience of all the current executive delegates note the creation of people's councils in the towns that were historical county seats and in all the other towns that, even though they do not meet this condition, require this type of organization. This will make it easier for them to provide better services and handle the population's administrative paperwork.

The analyses also show that great cities' growth makes it difficult for local government organizations to exert adequate leadership, control, and supervision of these cities. This indicates that it is advisable to adjust the political-administrative structure of cities like Santiago de Cuba and Camaguey on an experimental basis, based on the possibility of creating local administrative organizations called districts. This will allow the strengthening of the main municipal structure of the people's government. Referring to Havana Province and City, and given its functions as a unit which corresponds to a great city, it is deemed convenient to continue the current analyses aimed at achieving a larger and stronger number of political-administrative units, bearing in mind the need for exerting full government functions.

In addition, the analysis of the current political-administrative division and the problems which are closely linked with the division shows that it is evidently necessary to study and later adopt the necessary conditions regarding the status which corresponds to the special municipality on the Isle of Youth. According to this decision, the work commission appointed to anlayze the draft resolution project concerning the improvement of the country's political-administrative division advises that this congress:

1. Approve the draft resolution which advises that the PCC Central Committee be in charge of evaluating the country's administrative policy and adopting the necessary measures for creating people's councils in the chosen towns. It should also continue to analyze the City of Havana, collect all the information on the cities of Santiago de Cuba and Camaguey, and carry out a survey on the institutional status which corresponds to the special municipality of the Isle of Youth. In addition, the appropriate measures should be carried out to continue and conclude the necessary surveys for enforcing the corresponding measures to perfect the current political-administrative division in the year 1991.

The following provision should be included in the resolution's text, immediately after point No 8: The surveys to be carried out according to these modifications must include the elements considered necessary for improving the organization of the state's business sector, as mentioned in the resolution which deals with the system for managing and planning the economy. Thank you. [applause]

[Second unidentified speaker] The experience accumulated in the Province of Havana during the current executive delegates' activities, and our own experience as president of the people's government in the municipality of Santa Cruz del Norte, allows us to rightfully state that the existence of an authority which maintains close and direct contact with the problems in the community is highly important, allows for the achievement of a solution, advocates a continuous and improved quality and efficiency in the services to the populations, and allows for the fulfillment of their fundamental needs.

Economic-Social Guidelines

FL121421 Havana Tele-Rebelde Network in Spanish 1420 GMT 7 Feb 86

[Text] Cuba has become a society of manual and intellectual workers free of exploitation of man. This was stated in the economic and social guidelines for the 1986-1990 5-year period. This document was approved by the delegates to the Third PCC Congress. The document states that the working class is the ruling class and that it exercises its political power in alliance with the peasant sector and all the working rural and urban classes. This important document enumerates the main objectives for the 1986-1990 5-year period. Some of the most important objectives established in the document are: To ensure increased revenue from exported merchandise and productive services and by replacing some import and export products.

It also calls for the establishment of an energy savings plan that includes the rational use of energy and decreased average rates of energy consumption. We must also expand production capacity and carry out the investment policy more efficiently.

Another objective for this 5-year period is to improve the quality of production and services, use profitably the various transportation means of the country, give special attention to the peasant sector, and improve the economy's planning and management system, among other things. To achieve the maximum use of the national scientific and technological potential, to concentrate the efforts being made by our main social development entities, and to strengthen the ties between investigation and production are some of the other main objectives included in the economic and social guidelines for the 5-year period we are beginning.

The document continues, stating that the standard of living will continue a moderate rise in regard to the amount of goods and services offered the people, and greater advances will be achieved by improving the quality of these goods and services. Work will also have to be done to improve personal services as well as repair services for household, restaurant, and communal electric appliances.

This 5-year period will also allow for an increase in the availability of education and the qualification of personnel and teachers cadres. Priority status will be given to the overall economy, rational use of our natural resources, energy savings, industrial development, the agricultural sector, construction, health, community services, and the development of transportation and communications.

[Begin recording of Lionel Soto, member of the Central Committee Secretariat and vice chairman of the commission appointed to analyze the draft of the economic and social guidelines for 1986-1990.] The commission appointed to analyze the draft of the economic and social guidelines for the 1986-1990 5-year period met last night, with the attendance of 149 of the 150 delegates appointed. The members of the commission represented the delegations sent from all the provinces of the country. The commission adopted a series of recommendations to be presented for approval by this plenary session of the Third PCC Congress.

In March of this year [as heard] the sub-commission responsible for the drafting of the guidelines was appointed. This was done following a decision adopted by the congress' main organizing committee. The subcommission worked to establish the guidelines based on the following: directions issued by Comrade Fidel Castro late in 1984 regarding the economic and social strategy to be followed in the medium and long term; the work being done to draft the 1986-1990 5-year period plan; the agreements on this subject reached by the main group; and the party's draft program on economic policy.

The guidelines had to include the most important tasks agreed to for the present 5-year period.

In this sense, the departments of the Central Committee, together with the Central Planning Board and the state committee organizations, drafted the first proposals, which were amply coordinated with the members of the Secretariat, the Central Committee, the vice presidents of the Council of Ministers, and with the ministers. These proposals were discussed by the subcommission appointed for this purpose.

The process of discussions and consultations produced four versions of the document before the final draft was ready. This draft was presented to the main organizing committee.

As everyone knows, in November this draft was examined by all the base organizations and party organizations; it was also examined at work centers, by the peasants, by revolutionary armed forces units, by Interior Ministry units, by the UCJ [Union of Young Communists] directorate, and by all students finishing the last year of their advanced schooling.

More than 3.1 million people discussed the draft, and the subcommission received more than 13,000 suggestions for amendments and additions. These were painstakingly reviewed, and more than 1,600 of these suggestions were accepted. Many of the suggestions were similar. This greatly contributed to enriching the draft that was rewritten on these bases. In December the main organizing committee approved the draft and presented it to the 13th Plenum of the Central Committee. The outcome of this process has been the draft resolution that the delegates at this congress have studied.

The commission believes that a deeply democratic process has taken place in which the collective wisdom of our socialist society and the precise and creative directions of Comrade Fidel and our party's directorate have been captured.

The draft of the guidelines answers the critical aspects mentioned in the main report regarding the correction of mistakes and overcoming the deficiencies and insufficiencies of our economy. The guidelines regarding the economic and social strategy for the next 15 to 20 years are presented articulately. These were based on the party's draft program.

The contents of this draft include major tasks for the future, such as: accelerated industrialization of the country; progressive economic integration with CEMA member countries, especially in common economic policies and specialization and cooperation of production; introduction of scientific and technological achievements; assimilation of new technologies resulting in higher work productivity and in high quality and competitive products on the market; sustained growth of social income-yielding capacity; greater efficiency of enterprises; strengthening of the whole infrastructure; strengthening of our economy; and new social achievements that will materially and morally support the defense mobilization of our homeland. All this was drafted with the hopes of increasing the standard of living of the population in accordance with our ideas regarding the values of a socialist society.

The draft of guidelines also mentions very vital issues for the 5-year period, such as: The need to double our export efforts in the country and a substantial reduction of imports by national products; a more rational use of energy and a strict policy for savings of material, labor, and financial resources; use of all productive capacities; growing efficiency in the investment process; upgrading the quality of the products and services provided for the people; continued development of new ways to organize work and wages based on the principle of payment for work done; advanced improvement of the economy's directorate and planning system, emphasizing creativity in accordance with our experiences and circumstances; and strengthening and expansion of the rural cooperative sector.

Likewise, the guidelines stress the decisive role and broad participation by working masses in the materialization of their rigid objectives in what Comrade Fidel described as the economic war of all the people.

Once the guidelines are approved they will become an irreplaceable instrument for the base organizations and party organizations to exercise the direction and the control of the economic and social development in our socialist society. They will also become a guide for all the party cadres, mass organizations, and state administration, as well as a program for the labor movement and its trade unions.

It is essential to begin an immediate struggle to fulfill the plans and goals and all the eminently qualitative aspects included in the economic and social guidelines. The fulfillment of the guidelines represents a very important step toward the construction of the techno-material basis of socialism in Cuba.

The commission proposes before the Third PCC Congress the following:

1. The adjustment of some guidelines as a result of the approval of the control figures of the 1986-1990 5-year plan on 29 January. This information is currently in the hands of the delegates to this congress.

2. Approval of the amendments and additions agreed upon at the meeting of this commission and which are detailed in the document distributed to all the delegates.

3. Approval of the text of the economic and social guidelines for the 1986-1990 5-year period with the amendments suggested by our commission, as well as the approval of the resolution.

Thank you. [applause] [end recording]

Economic Management, Planning

FL121610 Havana Tele-Rebelde Network in Spanish 1420 GMT 7 Feb 86

[Resolution issued by the commission appointed to study the draft resolution on the economic management and planning system, read by Joaquin Benavides Rodriguez, alternate member of the PCC Central Committee and vice chairman of the commission -- recorded]

[Text] Comrade Commander in Chief Fidel Castro Ruz, comrades of the presidency, comrades and comrade delegates, guests: The Third PCC Congress work commission appointed to study the draft resolution on the improvement of the economic management and planning system met in the City of Havana at 1745 on 5 February 1986, the year of the 30th anniversary of the landing of Granma. The meeting was held in room 5 at the Palace of Conventions. Sixty appointed members attended the meeting, marking 100 percent attendance.

When the commission was appointed, its presidency was expanded by five additional members and the drafting commission appointed. Later, all the members of the commission were informed of the process used to draft the resolution on the improvement of the economic management and planning system. The members were also advised of the consultations made and the principles on which the contents of the draft resolution were based.

In the analysis by the commission, the growing importance that the party has given to the problems involving the area of economic management and planning was underscored.

As everyone knows, the First PCC Congress approved a resolution that included the guidelines for the implementation of an economic management and planning system based on the principles of economic computations. The Second PCC Congress studied the progress of this system and approved a resolution ratifying the validity and importance of the resolution issued by the First PCC Congress and established guidelines to consolidate the principles and objectives of the economic management and planning system.

The commission recognizes the fairness of the system and supports the statements and specific directions for the work to be done in the improvement of the economic management and planning system, made by Commander in Chief Comrade Fidel Castro in his main report, presented to this Third PCC Congress. As indicated in the introductory portion of the draft resolution, this commission also studied the system's mechanisms and everything related to the development of the economy in the past 5 years. The commission agreed that the objectives expressed in the resolution answer the needs to deepen and improve the system in accordance with the economic policy drafted for the nex for years and that the resolution should represent the document that will guide the whole process of improvement of the economic management and planning system for this period.

When the draft resolution on the improvement of the economic management and planning system was presented for debate, four agreements were reached. These four agreements led to amendments and additions. These agreements are in the hands of the delegates.

Therefore, we propose this Third PCC Congress accept this draft resolution on the improvement of the economic management and planning system [words indistinct] amendments and additions by our commission.

Thank you. [applause]

SFRY'S MILAN KUCAN PCC CONGRESS SPEECH REPORTED

LD121507 Belgrade TANJUG Domestic Service in Serbo-Croatian 2230 GMT 5 Feb 86

[Text] Havana, 12 Feb (TANJUG) -- On the second day of the work of the Third PCC Congress, its delegates were addressed on behalf of the League of Communists of Yugoslavia [LCY] by Milan Kucan, member of the LCY Central Committee Presidium, who, among other things, stressed the need for cooperation and solidarity between communist, socialist, and all other progressive and democratic forces in the world hand-in-hand with consistent respect for the principles of equality, autonomy, independence, noninterference in internal affairs, respect for reciprocal differences, and responsibility to one's own working class and people. During the day, in the great congress center in Havana, in which President Tito was one of the speakers at the sixth nonaligned summit 6 and 1/2 years ago, representatives of several other parties spoke today at this important gathering of the Cuban party, including that of the CPSU represented by Yegor Ligachev, Central Committee secretary and members of the Politburo.

"The LCY and all working people of our country sincerely rejoice at the great successes which you have attained and continue to attain in the socialist development of your country and in the development of the material basis of your society led by the Communist Party, headed by Comrade Fidel Castro. These successes are all the greater because they were achieved in conditions of constant threats against Cuban independence.

On this occasion, I once again express the solidarity of the LCY and of our country with the struggle of the people of Cuba and of other peoples in this area for the right to decide independently about their internal development," stressed Milan Kucan, member of the LCY Central Committee Presidium, addressing the congress of Cuban communists. Having stressed that we live at a time when the international situation is fraught with many crises and unresolved economic and political problems, Kucan said that the preservation of and strict respect for independence, sovereignty, and territorial integrity of all the countries, and the struggle to build a new international economic system represent an indispensable condition for international cooperation on an equal footing and for strengthening peace and security in the world. This implies consistent opposition to imperialism and to all aspects of suppression and hegemony, the policy of force, and intervention and meddling in the internal affairs of others.

This international struggle is most fully and most profoundly expressed by the policy of nonalignment which is the foreign political orientation of our two socialist countries. Kucan expressed Yugoslavia's deep concern over the difficult and complex situation in Latin America and especially in the area of Central America and the Caribbean, adding that our country manifests complete solidarity with the struggle of the people of Nicaragua and of other peoples in this area for freedom, preservation and consolidation of independence. It will continue to render full support for the actions and peaceful initiatives of the Contadora Group of countries to devise a peaceful solution for the crisis in Central America and for any other initiatives conducive to peace and to the social and economic progress of this area.

Having stressed that in an ever-greater number of countries in the world different forms of socialist tendencies and social relations are being born and developed, Kucan said that it has been proved in practice that different parts of the struggle for socialism and for the construction of socialist social relations represent a law regarding development of society. Cooperation and solidarity between communist, socialist, and all other progressive and democratic forces in the world is necessary, possible, and consistent with respect for the principles of equality, autonomy, independence, noninterference in internal affairs, respect for reciprocal differences, and responsibility to one's own working class and people, said Kucan.

AFGHAN, MIDEAST DELEGATES TO CONGRESS DEPART

FL122223 Havana Radio Progreso Network in Spanish 1200 GMT 12 Feb 86

[Text] Saleh Mohammad Zirah, People's Democratic Party of Afghanistan Politburo member, has ended his visit to Cuba after being a guest at the Third PCC Congress. He was seen off by alternate Politburo member Julian Rizo at the Jose Marti International Airport. (Qadim Habib Aleb), Iraqi Communist Party Politburo member, and Ali Khavari, Iran Tudeh Party first secretary and representative of its international review (representante en la revista internacional) also departed.

REAGAN'S UPCOMING VISIT TO GRENADA NOTED

FL122200 Havana Radio Reloj Network in Spanish 1921 GMT 12 Feb 86

[Text] Next week, President Ronald Reagan will discuss his Caribbean projects when he visits the island of Grenada. This will be Reagan's first visit to the small Caribbean island since U.S. Armed Forces occupied Grenada in 1983 and who continue their presence despite the local population's protests.

Reagan's program for next week's visit to Grenada includes meeting several Caribbean heads of states to discuss economic affairs and regional security. Nevertheless, up to the moment, Washington does not know which Caribbean heads of state and government will attend Reagan's meeting in Grenada.

JUNTA 'PROLONGS' DUVALIERISM WITHOUT DUVALIER

PA122108 Havana International Service in Spanish 2310 GMT 11 Feb 86

[Commentary by Amalia Sanmartin -- read by Norberto Hernandez]

[Text] The international press and numerous political observers agree in pointing out that the civilian-miliary junta that currently rules in Haiti prolongs the Duvalier regime without Duvalier. According to the observers, this was demonstrated by the U.S. Government's hasty announcement of the so-called president-for-life's ouster 7 days before it actually occurred. This, along with the military preparations that followed Baby Doc's actual escape, also pointed to the old and oft-repeated U.S. maneuver that calls for direct interference when a country's explosive situation may turn out to be adverse to the White House's interests.

There are no doubts that the rapid fall of the Duvalier dynasty was seen in advance. For months, the people's increasing dissatisfaction led to protests and strikes that could not be checked, despite the bloody repression. To this one must add Jean-Claude Duvalier's deteriorating image, as he squandered millions while the people suffered all kinds of privations. The need for a change of government was evident. The crisis intensified last November when the unstoppable popular demonstrations against hunger, poverty, and oppression began. On 30 January, 1 day after more than 40,000 people demanded Duvalier's ouster in Cap Haitien, the United States warned that the time to change had come, but for a government which, under a certain democratic appearance, would continue to respond to its interests. Thus, at present well-known figures of Duvalierism have been included in Henri Namphy's Cabinet.

Haiti undeniably has important strategic importance for the United States as a base for aggression against Central America, but the U.S. Government forgets that the people's demonstrations led to the dictatorship's ouster and that these people will not accept a masked regime against which they could rebel again.

SOCIAL PRODUCT GROWS 7.3 PERCENT IN LAST 5 YEARS

FL130036 Havana Radio Rebelde Network in Spanish 0000 GMT 13 Feb 86

[Excerpt] Cuba's global social product (producto social global) grew an average of 7.3 percent during the last 5 years. The amount is in excess of the 5 percent predicted for that important economic development index that corresponds to industrial production at a rate of 8.8 percent. [sentence as heard]

Investments to the state civil sector at current prices exceeded 17,880 million pesos over the last 5 years, while productivity grew at a rate of 5.2 percent annually.

GOVERNMENT SUPPORTS NEW HAITIAN REGIME

FL102025 Bridgetown CANA in English 1954 GMT 10 Feb 86

[Text] Santo Domingo, Feb 10, CANA-REUTER -- The Dominican Republic today expressed support for the new government of Haiti, its neighbour on the Caribbean island of Hispaniola.

The Dominican government will give all its encouragement and cooperation to the process (of democratization).... Foreign Minister Jose Augusto Vega Imbert told reporters in the presence of President Salvador Jorge Blanco.

Vega Imbert stressed that the Dominican Republic, which closed its border to prevent a sudden influx of refugees after the fall of Haitian President Jean-Claude Duvalier on Friday, would not interfere in its neighbour's affairs.

The new six-man council that took over from Duvalier has pledged a return to democracy and a restoration of civil rights.

DOMINICA

GUYANESE TRADE MISSION ARRIVES FOR TALKS

FL122115 Bridgetown CANA in English 2101 GMT 12 Feb 86

[Text] Roseau, Dominica, Feb 12, CANA -- A Guyanese trade mission aimed at removing obstacles to trade between Dominica and Guyana arrived here today for talks with senior government officials. An official statement said the mission headed by Trade Minister Winston Murray will meet with Dominica Trade Minister Charles Maynard and other government officials as well as members of the private sector. Dominica exports soap to Guyana while importing mainly sugar from the cooperative republic. Two years ago, trade between the two countries reached its lowest following disagreement between the then-Forbes Burnham administration and the conservative Eugenia Charles government over the American-led intervention of Grenada. Guyana later sent a trade mission to Dominica in the hope of reviving trade between the two countries.

GRENADA

BLAIZE PRAISES REPORT ON CONSTITUTION

FL121735 Bridgetown CANA in English 1704 GMT 12 Feb 86

[Text] St Georges, Grenada, Feb 12, CANA -- Grenada's Prime Minister Herbert Blaize has described as epoch-making the report of a commission which reviewed the island's constitution, recommending changes. In a letter to chairman of the commission Sir Fred Phillips, Blaize said: the report which the commission has produced is compehensive in its coverage and epoch-making in its recommendations. Blaize said the recently-submitted report would make a major contribution towards shaping the future destiny of Grenadians.

The commission was appointed by Governor-General Sir Paul Scoon a year ago: It received submissions from a number of Grenadians about what constitutional changes were necessary. It rejected submissions that no one should be prime minister for more than 10 consecutive years, but agreed to a range of other recommendations, including the appointment of an ombudsman, and the return of Grenada to the Eastern Caribbean Supreme Court.

The commissioners agreed that the Grenada governor-general (or president) should be appointed by an electoral college that includes both government and opposition members of parliament. The team comprised Sir Fred, a former governor of St Kitts and Nevis; Ralph Carnegie, a University of the West Indies law professor; B. T. Pollard, legal consultant at the Caribbean Commonwealth Secretariat; J. B. Renwick, a former judge; and A. Michael Andrew, then-president of the Grenada Bar Association, with Bernard Gibbs as the secretary.

HAITI

OPPOSITION LEADER SETS DEADLINE, ISSUES THREAT

PA121749 Paris AFP in Spanish 1644 GMT 12 Feb 86

[Text] Port-au-Prince, 12 Feb (AFP) -- Sylvio Claude, president of the Christian Democratic Party of Haiti (PDCH, the local opposition), today announced that he has given the National Government Council (CNG) a 1-month deadline to form a provisional government in which all sectors of the opposition can be represented. If this measure is not taken, he said, "the people will take the steps they took in the time of Jean-Claude Duvalier."

NEW MINISTER PREDICTS ELECTIONS WITHIN 10 MONTHS

FL121922 Santo Domingo Radio Mil in Spanish 1000 GMT 12 Feb 86

[Text] Port-au-Prince -- Last night, new Haitian Education Minister Rosny Desroches predicted presidential elections would be held within 10 months. Meanwhile, Port-au-Prince is calm 4 days after dictator Jean-Claud Duvalier fled the country. Desroches added, however, that results of those elections could be questionable because the provisional government includes Duvalier sympathizers. Duvalier abandoned Haiti due to spontaneous protests after being in power for 15 years. Yesterday, Port-au-Prince remained calm with the exception of isolated gun shots. The government imposed again the 10 pm curfew lifted last night so that city residents could participate in the carnival. Port-au-Prince had some parades but they were much less crowded than usual during similar celebrations.

Port-au-Prince protesters destroyed one of Duvalier's houses located on a nearby mountainous area. Information Minister (?Max Valles) said more than 100 people lost thier lives in violent acts since Friday, but morgue employees indicated that between 200 and 300 people had died. (?Valles) said the death toll could reach that level. Three Army officials, who accompanied Duvalier when he fled, yesterday returned to Port-au-Prince and were rushed from the airport in military vehicles. It was not known why the three military members, who had accompanied the dictator, returned aboard an Air France commercial flight. Government officials in France said Liberia offered political asylum to Duvalier.

Demonstrators Demand Elections

PA130310 Madrid EFE in Spanish 0216 GMT 13 Feb 86

[Text] Port-au-Prince, 12 (EFE) -- Approximately 20,000 youths staged a demonstration outside the Haitian National Palace tonight to ask the president of the National Government Council, General Henri Namphy, to hold direct presidential elections in 1 year. The president elected in those elections would be in power for a period of 4 years and would not be able to run for reelection, the organizers of the portest demonstration, which developed in a festive manner without vigilance by the Army, stated.

There was no Army vigilance a few hours before either when Colonel Franck Romain, mayor of Port-au-Prince, was bombarded with oranges at the doors to city hall by a group of approximately 200 youths. The Haitian Army has assumed the police role formerly carried out by the Volunteers for National Security (VSN), the feared "Tonton Macoutes" (or "phantoms"), created by the late President-for-Life Francois "Papa Doc" Duvalier.

The demonstration occurred 24 hours after approximately 100,000 persons gathered in the northern city of Gonaives demanding the trial of deposed President-for-Life Jean-Claude "Baby Doc" Duvalier, son of "Papa Doc." "Let them bring (Jean-Claude) Duvalier to trial," read some of the posters carried by the demonstrators and dispersed among hundreds of blue and red flags, the colors of the Haitian national flag which the Duvalier dynasty changed for a red and black one. The demonstrators damanded that Namphy dismiss the members of the current council, Alex Cineas and Colonel Prosper Avril, who, like Romain, are identified with the deposed Duvalier regime. Cineas, an engineer, is also a minister without portfolio in the Cabinet appointed by the council. Avril, a military man with anticommunist ideals, does not hold a post in the Cabinet.

INTERNATIONAL AIRPORT REOPENED IN PORT-AU-PRINCE

PA121928 Madrid EFE in Spanish 1831 GMT 12 Feb 86

[Text] Port-au-Prince, 12 Feb (EFE) -- A spokesman for the U.S. Embassy here has told EFE that the Francios Duvalier International Airport in this capital was officially reopened to commercial traffic today. Jeffrey Lite stated: "The airport was opened at noon today but we do not expect the airlines to renew their flights until tomorrow."

The airport was closed this past Friday after the departure of former President-for-Life Jean-Claude Duvalier, his family, and his close aides. At that time a curfew was declared throughout the country, the border with the Dominican Republic was closed, and the airport did not allow planes to depart or land on regular flights. On Tuesday, based on plans to evacuate foreign citizens, two Eastern Airline planes and an Air France jumbo aircraft arrived empty at Port-au-Prince to pick-up non-Haitians wanting to leave the country.

RELIGIOUS LEADERS TO ASSESS CONDITIONS

FL122245 Bridgetown CANA in English 2205 GMT 12 Feb 86

[Text] Bridgetown, Barbados, Feb 12, CANA -- General Secretary of the Barbados-based Caribbean Conference of Churches (CCC) Dr Allan Kirton flies to Haiti tomorrow as part of an international team invited to assess conditions there in the wake of the departure of dictator Jean-Claude Duvalier. Dr Kirton said today he would join the heads of the Protestant churches of France and Switzerland, World Council of Churches (WCC) representatives and religious leaders from the United States, in a mission requested by their counterparts in Haiti.

JAMAICA

PNP LEADER WELCOMES DUVALIER'S DEPARTURE

FL101620 Bridgetown CANA in English 1659 GMT 8 Feb 86

[Text] Kingston, Jamaica, Feb 8 CANA -- Jamaica's opposition People's National Party (PNP) has welcomed the collapse of the Duvalier dictatorship in Haiti, and urged outside powers not to attempt to now impose their own will on the impoverished Caribbean country. Dictatorship from outside is as evil as dictatorship from within, said PNP General Secretary Paul Robertson in a statement here last night. He said the Haitian people must now be allowed the right to evolve their own political solution.

Meantime Prime Minister Edward Seaga has been quoted as saying that Jamaica was able to mediate this week in the Haitian crisis because of a 1982 visit here by Michelle Duvalier, the wife of the ousted dictator Jean-Claude Duvalier, when friendships were struck up. The government yesterday revealed that it was involved in secret talks with Duvalier to help persuade him to give up the government and go into exile. The government's announcement followed sharply the public disclosure that Duvalier had left for France aboard an American Air Force plane, ending the dynasty started in 1957 by his father, Francois "Papa Doc" Duvalier.

According to yesterday's announcement, Seaga had sent to Port-au-Prince, as his special emissary, his Social Security Minister and Former Junior Foreign Minister Neville Gallimore. Gallimore had held talks with the Duvaliers last Sunday and Monday, and by Tuesday had reported that the president-for-life would be leaving the country.

The official JAMPRESS NEWS AGENCY last night quoted Seaga as saying that Jamaica had been able to play a role because of the informal relationship which had developed out of Michelle Duvalier's visit here. Her trip made it possible to maintain contact with the regime. Mrs Duvalier on her visit had met with Mrs Seaga and they had together toured Tivoli Gardens, a model community in the prime minister's West Kingston constituency. Contact was also maintained by Gallimore, then in the Foreign Ministry, responsible for Caribbean affairs, JAMPRESS quoted the prime minister as saying.

During his tenure in the Foreign Ministry, Gallimore had visited Haiti on several occasions as part of the government's bid to pull Haiti into the mainstream of the Caribbean family. The Seaga government had pressed the case for Haitian membership in the Caribbean Community and Common Market (Caricom), a 13-member club of English-speaking countries.

U.S. Embassy officials here rejected that Jamaica had acted on Washington's prompting. Diplomats say that consultation took place between the two governments. Jamaica said its action was in the interest of avoiding instability in the region and to avoid possible bloodshed and turmoil in Haiti.

Duvalier's departure followed nearly two months of concerted agitation against the government, which reached a crescendo last week with violent demonstrations. According to JAMPRESS, Seaga said Haiti was now poised for a liberalised approach to human rights and the provision of a new democratic system of government. An interim administration, led by Army Chief of Staff Henri Namphy has assumed power in Port-au-Prince.

The PNP, has appealed to governments, while respecting Haiti's sovereignty, to collaborate in providing technical and financial assistance which the people of the republic may consider necessary for their development. The Socialist Party said the massive poverty, hunger and malnutrition experienced in Haiti had been a shame on the history of the Caribbean. The PNP believes that when people are subject to tyranny and fear by corrupt rulers, violent change was inevitable, and it is regretted that so many lives had to be destroyed in Haiti for so many years, the opposition party said.

HOYTE SPEECH OPENS NEW PARLIAMENTARY SESSION

FL051520 Bridgetown CANA in English 1506 GMT 5 Feb 86

[By Clem David]

[Excerpts] Georgetown, Guyana, Feb 5, CANA -- President Desmond Hoyte formally opened a new session of the Guyana parliament last night and promised to pursue joint ventures with Caribbean Community (Caricom) states.

Hoyte restated his commitment to give more scope to the private sector, consider joint economic investments with Caricom member states, and encourage economic initiatives among social groups.

In a 35 minute speech, the president said he was confident that Guyana and Caricom could successfully pursue joint venture efforts in the interests of their economies. He said he was heartened by discussions he had with his Caribbean colleagues in Mustique last month.

He announced that there will be national awards and incentives for private, state and cooperative enterprises who help to improve industry and the country's impoverished economy. Government sources said these may include fiscal incentives with preference for foreign exchange allocations.

Despite serious economic difficulties we have survived. What is needed now is for us to move forward...We have the resources and a favourable climate under which the goals set ahead, Hoyte told members of the National Assembly.

Fiscal prudence, development and growth is the task ahead to infuse dynamism into the national economy and improve the quality of life of citizens in various respects, Hoyte said.

He outlined several measures designed to raise the standard of living of workers. Steps are being taken, he said to put downward pressure on prices of local agriculture commodities and other products, without affecting the levels of income of the producers. A factor which has contributed to the rise in prices of local products was the willingness of some members of the community to purchase contraband goods at greatly inflated prices. Guyana has a thriving black market because foreign exchange shortages and official bans on some items have curtailed imports.

Hoyte also promised separate taxation for working wives and increased benefits for workers through the national insurance scheme here.

He said legislation will shortly be introduced in the Assembly to combat the dangerous development of drug use, providing for mandatory imprisonment and confiscation of property where persons have benefitted from drug offences.

Although the PPP [the main opposition People's Progressive Party] was absent, the three MPs of the Works People's Alliance (WPA) and the United Force heard the president's address. The WPA's lone representative, Eusi Kwayana, was back in parliament after an absence of 33 years. Kwayana, then named Sydney King, is a one-time minister of agriculture under a ruling People's National Congress (PNC) government. The PPP was present at Monday's swearing-in of parliamentarians' ceremony in the Assembly and one of its MPs was elected deputy speaker.

GASOLINE SUPPLIES RUN OUT; COMMUTERS STRANDED

FL121316 Bonaire Trans World Radio in English 1130 GMT 12 Feb 86

[Text] Government officials in Georgetown, Guyana say there are adequate supplies of cooking gas and kerosene and they have assured consumers that the gasoline shipments from Trinidad are forthcoming. Gasoline supplies in Guyana ran out last weekend and for the past 3 days hundreds of commuters have been stranded. Schools reported many students from the rural areas have been absent this week since there is no transportation available.

Officials say rice has been dispatched to Trinidad in order to pay for the gasoline. Guyana has a barter agreement with Trinidad in which it exchanges rice for petroleum products.

Rationing Introduced

FL122205 Bridgetown CANA in English 2148 GMT 12 Feb 86

[Text] Georgetown, Guyana, Feb 12, CANA -- Guyana today introduced petrol rationing because of what the government said was a delay in the arrival of supplies from neighbouring Trinidad and Tobago. A statement from the Acting Minister of Trade Carl Greenidge said the government order to gasoline stations seeks to promote the greater conservation of energy... in the midst of a delay in the arrival of fuel and other petroleum products from Trinidad and Tobago.

With immediate effect, petrol stations are permitted to fuel only Monday to Friday between the hours of 7 am to 4 pm. No fuel will be sold at weekends.

Guyana, which imports all its oil from Trinidad and Tobago, has an annual fuel bill of US100 million dollars.

Due mainly to a chronic foreign exchange shortage, Guyana has accumulated a near half billion dollar (TT) petrol bill with Port-of-Spain, triggering a cancellation last year of a bilateral petroleum credit facility under which supplies were sent to Georgetown. Port-of-Spain is now insisting on cash payment for all Guyana.

Authoritative Guyana sources say Georgetown last October paid some 10 million dollars of the TT400 million dollars it owed Port-of-Spain for fuel. The sources said Trinidad and Tobago was, however, demanding that the Guyana Government pay in U.S. currency for fuel, and that the money be paid in advance.

The Guyana National Energy Authority (GNEA) also issued a statement urging consumers to purchase only their immediate needs and to refrain from panic buying and hoarding. Motorists have been asked to keep their driving to what is absolutely necessary.